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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1963

First Issue

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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

## Selected Financial Institutions FIRST OUARTER 1963

### INTRODUCTION

This is the first issue of a new quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. The cooperation of corporations in this survey has been excellent. However, because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations, and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

### CONTENT OF GROUPS

### **Trust Companies**

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

### Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings

Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

### Sales Finance and Consumer Loan Companies

In general, these companies make loans mostly to persons, for such purposes as the financing or purchase of consumer goods and services of all types and for the consolidation of debt, etc. Sales finance companies make loans mainly to buyers of goods at retail, but also to a lesser extent to business for the financing of goods at the wholesale level and for a variety of other purposes. Consumer loan companies make cash loans to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the previsions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

### Item 11-Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

### Item 12 – Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

### Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

### Item 30-Net payables and retained income

A number of companies do not calculate interest receivable and payable quarterly and are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

#### B. Sales Finance and Consumer Loan Companies

### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

### Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

### Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

### Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

### Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is The Financing of Economic Activity in Canada, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

Quarterly Statements of I		196				196	62		1963
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
				millio	ns of doll	ars		l	
Assets	1	1	1	1		1	1		
1. Cash on hand and on deposit:									
(a) In Canadian dollars:	29	31	33	47	28	33	25	44	60
(i) Cash and bank deposits (ii) Cash in other institutions	2	2	2	3	3	2	2	2	2
	1	7	11	4	16	22	8	7	8
(b) In foreign currency	1		11	-	10	22		•	
3. Investments:									
(a) Investments in Canadian securities:									
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9
(ii) Other Government of Canada debt	253	264	267	277	305	289	292	283	291
(iii) Provincial government debt	115	119	127	131	135	137	131	136	144
(iv) Municipal government debt	69	73	78	82	84	85	83	90	99
(v) Short-term notes of finance and other companies	176	161	169	112	185	145	159	122	190
(vi) Corporation and institution bonds	112	114	118	127	123	136	129	137	144
(vii) Mortgage loans and sales agreements	510	532	585	627	666	730	796 69	831	891 73
(viii) Collateral loans	65	72	74	63	65	66		82	
(b) Investments in Canadian preferred and common stocks	46	48	50	53	54	58	60	63	74
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6
(d) Investments in subsidiary and associated companies	7	6	6	7	7	7	8	9	8
4. Real estate and equipment	21	23	24	26	29	30	30	33	35
5. Other assets	9	10	10	12	10	13	13	13	13
Total assets <sup>1</sup>	1,430	1,475	1,569	1, 586	1,728	1,765	1,822	1,877	2,046
Liabilities									
11. Deposits and demand certificates	482	490	530	558	622	655	631	656	710
12. Deposit receipts and guaranteed investment certificates	776	802	851	848	905	912	974	1,026	1,100
13. Short-term loans and notes payable:	1								
(a) Bank loans and overdrafts	9	10	12	9	9	9	10	2	3
(b) Other loans and notes payable	11	18	18	6	18	9	27	5	36
15. Other Liabilities	4	4	3	3	4	4	4	3	4
Net worth		I Lander							
20. General, investment and special reserves	77	80	80	88	0.	2.			100
		00	00	00	91	94	94	103	106
21. Paid-in capital	56	57	58	59	60	62	62	65	66
30. Net payables and retained income <sup>1</sup>	15	14	18	16	17	20	20	17	20
Total liabilities and net worth	1,430	1,475	1,569	1,586	1,728	1, 765	1,822	1,877	2,046
			-,000	2,000	1,140	1, 700	1,844	1,877	2,040

<sup>1</sup> Total assets excludes interest, dividends and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

### TABLE 2. Mortgage Loan Companies Quarterly Statements of Estimated Assets, Liabilities and Net Worth

Assets  1. Cash on hand and on deposit:  (a) In Canadian dollars:	1	1 Q	190 2 Q mill	3Q ions of	4Q dollars	1 Q	19 2 Q	62 3 Q	4 Q	1963
Assets  1. Cash on hand and on deposit:  (a) In Canadian dollars:	15 1					10	2 Q	3 Q	4 Q	1 Q
Cash on hand and on deposit:  (a) In Canadian dollars:	1	12	mill	ions of	dollars		ļ			
Cash on hand and on deposit:  (a) In Canadian dollars:	1	12								
(a) In Canadian dollars:	1	12								
	1	12								
	1	12								
(i) Cash and bank deposits 15 16			11	12	14	12	12	13	19	13
(ii) Cash in other institutions		1	1	1	4	4	3	3	5	3
(b) In foreign currency 2				1						
3. Investments:										
(a) Investments in Canadian securities:										
(i) Government of Canada treasury bills	1 1	1	1	3	6	3	100	3	2	5
(ii) Other Government of Canada debt       81       81         (iii) Provincial government debt       23       25		83 26	84 26	84 25	90	102	102 32	96 31	98 31	108
(iv) Municipal government debt 7 7		7	6	6	8	9	8	8	8	8
(v) Short-term notes of finance and other companies 5 5	9	7	10	9	4	9	5	8	4	22
(vi) Corporation and institution bonds	10	11	12	14	14	15	15	15	14	14
(vii) Mortgage loans and sales agreements		734	759	792	832	849	891	937	981	1,011
(viii) Collateral loans 11 11	8	12	14	13	10	11	13	21	18	15
(b) Investments in Canadian preferred and common stocks 31 31	31	33	33	32	33	33	34	34	35	38
(c) Investments in foreign securities 5	5	3	3	3	3	3	4	5	6	6
(d) Investments in subsidiary and associated companies 15 15	21	21	21	21	34	33	34	37	36	40
4. Real estate and equipment 16 16	16	17	17	19	19	21	22	22	24	26
5. Other assets 5	5	7	7	7	6	8	8	8	7	10
Total assets <sup>1</sup>	945	975	1,005	1,041	1, 107	1, 143	1, 183	1,241	1, 286	1,349
Liabilities										
1. Deposits and demand certificates 118 128	135	144	148	160	178	194	206	201	204	215
1. Deposits and demand outsides										
2. Deposits receipts and debentures616 626	647	663	688	707	740	749	771	815	851	880
3. Short-term loans and notes payable:										10
(a) Bank loans and overdrafts 2	2 2	2	2	1	4	4	5	10	13	12
(b) Other loans and notes payable 6	3 7	5	3	6	5	4	6	16	20	24
5. Other liabilities 10 10	11	11	14	15	16	22	22	23	23	30
Net worth										70
20. General, investment and special reserves 59 59	61	62	62	62	74	73	<b>7</b> 5	75	77	79
21. Paid-in capital 47	47	48	48	48	52	53	54	55	55	60
30. Net payables and retained income <sup>1</sup>	35	40	39	41	38	44	44	47	43	49
Total liabilities and net worth <sup>1</sup>	7 945	975	1,005	1,041	1, 107	1, 143	1, 183	1,241	1, 286	1,349

<sup>&</sup>lt;sup>1</sup> Total assets excludes interest, dividends and other receivables. These receivables are netted against the combined liability items, interest, dividends nd other payables, and retained income.

### TABLE 3. Sales Finance and Consumer Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

Quarterly Statement	s of Est	imated	Assets	Liabil	ities ar	d Net V	Worth					
		1960			19	61			1963			
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 0	4 Q	1 Q
Assets						mill:	ions of d	lollars				
1. Cash on hand and on deposit:  (a) In Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) In foreign currency  2. Accounts and notes receivable*		26 3 2,034	27 2 2,045	24 1 2,033	20 1 2,065	18 1 1,986	27 1 1 2,031	14 1 1 2,095	21	29 1 2, 173	22 1 2,343	18 1 4 2,428
3. Other current assets	2	2	3	3	2	2	3	3	3	4	4	4
4. Investments and advances:  (a) Investments in Canadian securities:  (i) Short-term notes of finance and other companies  (ii) Government of Canada treasury bills  (iii) Other Government of Canada debt  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments  (b) Investments in Canadian preferred and common stocks  (c) Investments in foreign securities  (d) Investments in subsidiary and associated companies	5 34 57 13 1	10 32 40 26 2	6 27 37 28 2	5 20 47 29 2 4 4 120	9 14 43 18 3 4 5	7 17 36 23 4 4 11 146	4 5 30 18 4 4 19 160	5 5 29 24 5 4 14 160	16 18 16 17 6 5 28 172	14 19 36 13 8 5 4	16 18 42 9 5 9 1 187	10 20 34 26 6 11
5. Property, plant and equipment		12	12	13	13	14	14	15	16 14	17 16	15 17	16 17
6. Other assets		12	13	14	15	13	13					
Total assetsLiabilities	2,333	2,300	2,317	2, 320	2,344	2, 284	2,334	2,388	2, 533	2, 532	2,689	2,800
	0.45	0.50	001	0.00	0.05	204	410	404	400	414	400	456
11. Owing parent and associated companies	345	350	361	360	367	394	413	424	432	414	460	456
12. Short-term loans and notes payable:  (a) Bank loans and overdrafts  (b) Demand and short-term notes payable (Canadian)  (c) Demand and short-term notes payable (foreign)  (d) Other short-term loans payable	55	253 462 49 53	281 448 50 46	208 523 37 44	213 526 35 40	166 457 28 34	195 432 26 34	168 478 27 32	232 491 38 43	194 523 38 37	206 535 88 42	188 644 66 48
13. Accounts payable: (a) Income and other taxes payable (b) Other payables	17 22	19 23	20 21	21	17 23	19 24	20 22	22 26	19 34	19 29	18 26	20 35
14. Other current liabilities: (a) Dealers' credit balances (b) Other current liabilities	50	49 2	46 2	44 2	46	46	46	41	45	46 4	44 4	42
15. Long-term debt:  (a) Debentures, bonds and notes  (b) Mortgages and other long-term debt	589	612	618	630	632	656	682 4	693	704 5	718	743 5	769 1
16. Other liabilities:  (a) Unearned income and other deferred credits  (b) Pensions, trust or earmarked funds  (c) Interest of minority shareholders		140	139	134	138	139	137	139	148 1 1	155	157 1	157 1 1
Net worth						1						
On Dail or a public												
20. Paid-in capital		161	166	173	179	186	191	197	198	202	221	224
Total liabilities and net worth			113	120	2,344	128	2,334	133	139	2,532	2,689	146 2,800
*Footnote: (a) Specified receivables:¹ Instalment finance companies:		1			:	1				The state of the s		
Consumer goods Convertal and industrial goods Witelessile goods Totals	844 399 268 1,511	851 407 160 1,418	828 393 229	784 388 256	797 409 223	794 405 128	756 395 184	732 386 230	767 415 236	776 434 140	771 425 237	771 423 300
Consumer loan companies: Instalment credit Cash loans	45 479	47 490	1,450 45 504	1, 428	1,429	38	1, 335 35	1,348	1,418	1,350	<b>1,433</b> 45	1,494
Totals	524	537	549	506 5 <b>50</b>	526 568	534	559	572	596	617	644	658
, by Other receivables?	74	110	77	86	101	123	594 135	175	635	661	689 259	702 270
Total receivables	2,109	2,065	2,076	2,064	2,098	2,022	2,064		2,237	2,210	2,381	2,466
Deduct allowance for bad hebts	- 31	- 31	- 31	- 31	- 33	- 35	- 34	- 35	- 37	- 37	- 38	- 38
Total receivables (net)	2,079	2,034	2,045	2,033	2,065	1,986	2,031	2,095	2,200	2, 173	2, 343	2,428

¹ Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004)
² "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and

### TABLE 4. Consumer Loan Companies<sup>1</sup> Quarterly Statements of Estimated Assets, Liabilities and Net Worth

-	Quartory Statements	Quarterly Statements of Estimated Assets, Lian					Figurities and Met Moltu							
			1960			19	061			1963				
		2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	10	2 Q	3 Q	4 Q	1 Q	
			1	1		1	millions	of dolla	rs					
	Assets													
1	. Cash on hand and on deposit:  (a) In Canadian dollars:													
	(i) Cash and bank deposits (ii) Cash in other institutions	4	6	7	6	4	6	6	4	6	7	5	5	
	(b) In foreign currency													
2	. Accounts and notes receivable	495	502	510	508	525	529	541	548	573	589	608	615	
3	Other current assets							1	1	1	1	1	1	
4	. Investments and advances:													
	(a) Investments in Canadian securities: (i) Short-term notes of finance and other companies (ii) Government of Canada treasury bills (iii) Other Government of Canada debt (iv) Other Canadian bonds and debentures (v) Other Canadian investments	3	5	4	5	9	7	4	4	13	10	14	9	
	(b) Investments in Canadian preferred and common stocks													
	(c) Investments in foreign securities													
	(d) Investments in subsidiary and associated companies													
5	. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	
6	. Other assets	1	1	1	1	1	1	1	1		1	1	1	
	Total assets	507	519	526	525	544	547	557	563	598	612	633	636	
	Liabilities													
11	. Owing parent and associated companies	310	318	333	331	340	355	367	369	375	384	404	400	
12	. Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	74 30	63	72 30	55 39	64	49	49	42	51	49	51	51	
	(c) Demand and short-term notes payable (Canadian)	1	41	1	39	45 1	42	39	40 1	50	49	58 1	56 1	
	(d) Other short-term loans payable													
13	. Accounts payable:													
	(a) Income and other taxes payable	8	8	8	9	7	8	8	10	8	10	9	10	
	(b) Other payables	3	3	3	3	4	3	3	4	7	7	4	4	
14	Other current liabilities:													
	(a) Dealers' credit balances	2	2	2	1	2	1	1	1	1	1	1	1	
	(b) Other current liabilities													
15	. Long-term debt: (a) Debentures, bonds and notes	4	4	4	7	6	6	7	8	7	8	8	9	
	(b) Mortgages and other long-term debt	*	7	-	'	0		•		•				
16	Other liabilities:													
10	(a) Unearned income and other deferred credits	18	18	18	18	19	19	19	21	23	23	24	24	
	(b) Pensions, trust or earmarked funds													
	(c) Interest of minority shareholders													
	Net worth													
20	. Paid-in capital	38	38	41	41	41	44	44	45	49	49	52	52	
21	. Retained income	19	22	13	18	16	20	18	23	25	31	22	27	
	Total liabilities and net worth	507	519	526	525	544	547	557	563	598	612	633	636	
_	10	7	G	in a fina	unas in t	hig tobl	O PODPOCE	ant only	a hout 0	0% of tot	01 0000	s of Co	nsumer	

<sup>&</sup>lt;sup>1</sup> Since some accounts are consolidated in the returns of Sales Finance Companies, figures in this table represent only about 90% of total assets of Consumer Loan Companies.



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SECOND QUARTER, 1963



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#### CONTENT OF GROUPS

### Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

### Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

#### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a - viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

### Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

### Item 12 — Peposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

### Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

### B. Sales Finance and Consumer Loan Companies

### Item 2 - Accounts and notes receivable

The questionnaireused in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

### Item 11 – Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

### Item 12 - Short term loans and notes pavable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

### Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most

agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

### Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada *Statistical Summary* (monthly)
Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

### TABLE 1. Trust Companies Quarterly Statements of Estimated Assets, Liabilities and Net Worth

10   20   30   40   10   20   30   40   40   40   40   40   40   4	1962	190		61	19		
Cash on band and on deposit:	1Q 2Q 3Q 4Q 1Q	1Q 2Q	4Q 10	3Q	2Q	1Q	
1. Cash on hand and on deposit: (a) in Canadian dollars: (1) Cash and bank deposits	ions of dollars	millions of dollars	millie				
(a) in Canadian dollars: (f) Cash and bank deposits (t) Cash in other institutions (2 2 2 2 3 3 3 2 2 2 2 2 2 3 3 3 2 2 2 2							Assets
(a) in Canadian dollars: (f) Cash and bank deposits (t) Cash in other institutions (2 2 2 2 3 3 3 2 2 2 2 2 2 3 3 3 2 2 2 2							Cash on hand and on denosit
(i) Cash and bank deposits. 29 3 31 33 47 28 33 22 2 2 2 (b) In foreign currency. 11 7 11 4 16 22 8 7 7 1 1 4 16 22 8 7 7 1 1 1 4 16 22 8 7 7 1 1 1 4 16 22 8 7 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
(ii) Cash in other institutions	28 33 25 44 60	28 33	47	33	31	29	
(b) In foreign currency	3 2 2 2 2	3 2	3	2			(i) Cash in other institutions
3. Investments: (a) Investments in Canadian securities: (b) Government of Canada treasury bills (ii) Other Government of Canada testsury bills (iii) Other Government of Canada testsury bills (iii) Other Canada celt (iii) Other Canada celt (iiii) Other Canada celt (iiii) Other Canada celt (iiii) Other Canada celt (iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	16 22 8 7 8	16 22	4	11	7	1	
(a) Investments in Canadian securities:							(b) in total outrois, minutes
(i) Government of Canada treasury bills							3. Investments:
(ii) Other Government of Canada debt. 253 264 287 277 305 289 292 283 (ili) Provincial government debt. 69 73 78 82 84 85 83 90 (v) Short-term notes of finance and other companies 176 161 169 112 185 145 159 122 (vi) Corporation and institution bonds. 112 114 118 127 123 136 129 137 (vii) Mortgage loans and sales agreements. 510 532 585 627 666 730 796 831 (viii) Collateral loans. 510 532 585 627 666 6730 796 831 (viii) Collateral loans. 56 72 74 63 65 66 69 82 (b) Investments in Canadian preferred and common stocks. 46 48 50 53 54 58 60 63 (c) Investments in Canadian preferred and common stocks. 56 66 66 66 66 66 66 66 66 66 66 66 66							(a) Investments in Canadian securities:
(iii) Provincial government debt					8	10	(i) Government of Canada treasury bills
(iv) Municipal government debt							
(v) Short-term notes of finance and other companies       176       161       169       112       185       145       159       122         (vi) Corporation and institution bonds       112       114       118       127       123       136       129       137         (vii) Mortagae loans and sales agreements       510       532       585       627       666       730       796       832         (b) Investments in Canadian preferred and common stocks       46       48       50       53       54       58       60       63         (c) Investments in Canadian preferred and common stocks       46       48       50       53       54       58       60       63         (c) Investments in foreign securities       5       6 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
(vi) Corporation and institution bonds							(,
(vii) Mortgage loans and sales agreements         510         532         585         627         666         730         796         831           (viii) Collateral loans         65         72         74         63         65         66         69         82           (b) Investments in In Collateral loans         46         48         50         53         54         58         60         63           (c) Investments in foreign securities         5         6							· ·
(viii) Collateral loans       65       72       74       63       65       66       69       82         (b) Investments in Canadian preferred and common stocks       46       48       50       53       54       58       60       63         (c) Investments in foreign securities       5       6       2       3       3       3							· · · ·
(b) Investments in Canadian preferred and common stocks							, , , , , , , , , , , , , , , , , , , ,
(c) Investments in foreign securities       5       6       7       7       7       8       9         4. Real estate and equipment       21       23       24       26       29       30       30       33         5. Other assets       9       10       10       12       10       13       13       13         Liabilities       1,430       1,475       1,569       1,586       1,728       1,765       1,822       1,877         Liabilities         11. Deposits and demand certificates       482       490       530       558       622       655       631       656         12. Deposit receipts and guaranteed investment certificates       776       802       851       848       905       912       974       1,026         13. Short-term loans and notes payable:             (a) Bank loans and overdrafts       9       10       12       9       9       9       10       2         (b) Other loans and notes payable       11       18<							
(d) Investments in subsidiary and associated companies 7 6 6 7 7 7 7 8 9 4. Real estate and equipment 21 23 24 26 29 30 30 30 33 5. Other assets 9 10 10 12 10 13 13 13  Total assets 1, 430 1, 475 1, 569 1, 586 1, 728 1, 763 1, 822 1, 877  Liabilities 1, 482 490 530 558 622 655 631 656 12. Deposit receipts and demand certificates 482 490 530 558 622 655 631 656 12. Deposit receipts and guaranteed investment certificates 776 802 851 848 905 912 974 1, 026 13. Short-term loans and notes payable:  (a) Bank loans and overdrafts 9 10 12 9 9 9 9 10 2  (b) Other loans and notes payable 11 18 18 6 18 9 27 5 15. Other habilities 4 4 3 3 3 4 4 4 3  Net worth  20. General, investment and special reserves 77 80 80 88 91 94 94 103 21. Pand-in-capital 56 57 58 59 60 62 62 65 65 30. Net accruals, payables and retained income <sup>4</sup> 15 14 18 18 66 66 67 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7							
4. Real estate and equipment 21 23 24 26 29 30 30 33 33 5. Other assets 9 10 10 12 10 13 13 13 13 Total assets 1, 430 1,475 1,569 1,586 1,728 1,765 1,822 1,877 Liabilities 11. Deposits and demand certificates 482 490 530 558 622 655 631 656 12. Deposit receipts and guaranteed investment certificates 776 802 851 848 905 912 974 1,026 13. Short-term loans and notes payable: (a) Bank loans and overdrafts 9 10 12 9 9 9 10 2 (b) Other loans and notes payable 11 18 18 6 18 9 27 5 15. Other habilities 4 4 3 3 3 4 4 4 3 3  3 4 4 4 3 3  3 4 4 4 4 3 3 14. Paid-in-capital 56 57 58 59 60 62 62 65 65 65 65 65 65 65 65 65 65 65 65 65							
5. Other assets 9 10 10 12 10 13 13 13 13 Total assets 1. Total assets 1. A 430 1. A 475 1. 569 1. 586 1. 728 1. 765 1. 822 1. 877  Liabilities 1. Deposits and demand certificates 482 490 530 558 622 655 631 656 12. Deposit receipts and guaranteed investment certificates 776 802 851 848 905 912 974 1. 026 13. Short-term loans and notes payable:  (a) Bank loans and overdrafts 9 10 12 9 9 9 9 10 2 (b) Other loans and notes payable 11 18 18 6 18 9 27 5 5 15. Other inabilities 4 4 3 3 3 4 4 4 3 3							
Total assets    1,430   1,475   1,569   1,586   1,728   1,765   1,822   1,877	29 30 30 33 35	29 30	26	24	23	21	4. Real estate and equipment
Liabilities  11. Deposits and demand certificates	10 13 13 13 13	10 13	12	10	10	9	5. Other assets
11. Deposits and demand certificates 482 490 530 558 622 655 631 656  12. Deposit receipts and guaranteed investment certificates 776 802 851 848 905 912 974 1,026  13. Short-term loans and notes payable:  (a) Bank loans and overdrafts 9 10 12 9 9 9 10 2  (b) Other loans and notes payable 11 18 18 6 18 9 27 5  15. Other liabilities 4 4 3 3 4 4 4 3  Net worth  20. General, investment and special reserves 77 80 80 88 91 94 94 103  21. Paid-in-capital 56 57 58 59 60 62 62 65  30. Net accruals, payables and retained income <sup>1</sup> 15 14 18 18 6 75	728 1,765 1,822 1,877 2,046	1,728 1,765	1,586 1,	1, 569	1, 475	1, 430	Total assets <sup>1</sup>
12. Deposit receipts and guaranteed investment certificates 776 802 851 848 905 912 974 1,026  13. Short-term loans and notes payable:  (a) Bank loans and overdrafts 9 10 12 9 9 9 10 2  (b) Other loans and notes payable 11 18 18 6 18 9 27 5  15. Other liabilities 4 4 3 3 4 4 4 3  Net worth  20. General, investment and special reserves 77 80 80 88 91 94 94 103  21. Pand-in-capital 56 57 58 59 60 62 62 65  30. Net accruals, payables and retained income <sup>1</sup> 15 14 18 18 18 18 18 18 18 18 18 18 18 18 18							Liabilities
13. Short-term loans and notes payable:  (a) Bank loans and overdrafts  (b) Other loans and notes payable  Net worth  Net worth  20. General, investment and special reserves  77 80 80 88 91 94 94 103  21. Pand-in-capital  56 57 58 59 60 62 62 65  30. Net accruals, payables and retained income <sup>4</sup>	622 655 631 656 710	622 655	558	530	490	482	11. Deposits and demand certificates
(a) Bank loans and overdrafts       9       10       12       9       9       9       10       2         (b) Other loans and notes payable       11       18       18       6       18       9       27       5         15. Other habilities       4       4       3       3       4       4       4       3         Net worth       77       80       80       88       91       94       94       103         21. Pand-in-capital       56       57       58       59       60       62       62       65         30. Net accruals, payables and retained income <sup>4</sup> 15       14       18       10 <td>905 912 974 1,026 1,100</td> <td>905 912</td> <td>848</td> <td>851</td> <td>802</td> <td>776</td> <td>12. Deposit receipts and guaranteed investment certificates</td>	905 912 974 1,026 1,100	905 912	848	851	802	776	12. Deposit receipts and guaranteed investment certificates
(b) Other loans and notes payable							13. Short-term loans and notes payable:
(b) Other loans and notes payable		0 0	0	12	10	9	(a) Bank loans and overdrafts
Net worth  20. General, investment and special reserves							
Net worth  20. General, investment and special reserves	4 4 4 3 4	4 4	3	3	4	4	15. Other habilities
Net worth  20. General, investment and special reserves							
21. Paid-in-capital 56 57 58 59 60 62 62 65 30. Net accruals, payables and retained income <sup>1</sup> 15 14 18 16 47							Net worth
21. Pand-in-capital 56 57 58 59 60 62 62 65 30. Net accruals, payables and retained income <sup>1</sup> 15 14 18 16 47	91 94 94 103 106	91 94	88	80	80	77	20. General, investment and special reserves
30. Net accruals, payables and retained income <sup>1</sup>			59	58	57	56	21. Paid-in-capital
	17 20 20 17 20		16	18	14	15	30. Net accruals, payables and retained income <sup>1</sup>
Total liabilities and net worth 1,430 1,475 1,569 1,586 1,728 1,765 1,822 1,877			1 500	1,560	1, 475	1, 430	Total liabilities and net worth <sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interests and other payables, and retained income.

### TABLE 2. Mortgage Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

Quarterly Statements of Estimated Assets, Liabilities and Net Worth													
		1960			1:	961			19	1	1963		
	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	42	1 Q	2 Q	3 Q	4 Q	12	2 Q
			1			mill	ions of o	lollars	1		1		
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits	4.5			100									
(ii) Cash in other institutions		16	15	12	11	12	14	12	12	13	19	13	14
(b) In foreign currency		2				1	1	*		3		3	J
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills		1		1	1	3	6	3		3	2	5	7
(ii) Other Government of Canada debt (iii) Provincial government debt		81 25	77 25	83	84	84 25	90	102	102	96	98	108	124
(iv) Municipal government debt		7	7	7	6	6	8	32	32	31	31	31	33
(v) Short-term notes of finance and other co	m-	-		100									
(vi) Corporation and institution bonds		5 10	9	7	10	9 14	14	9 15	15	8	14	22 14	12
(vii) Mortgage loans and sales agreements		685	715	734	759	792	832	849	891	937	981	1.011	1,058
(viii) Collateral loans	11	11	8	12	14	13	10	11	13	21	18	15	12
(b) Investments in Canadian preferred and comm		31	31	33	33	32	33	33	34	34	35	38	39
(c) Investments in foreign securities	5	5	5	3	3	3	3	3	4	5	6	6	4
(d) Investments in subsidiary and associated co		15	21	21	21	21	34	33	34	37	36	40	41
1. Real estate and equipment	16	16	16	17	17	19	19	21	22	22	24	26	28
5. Other assets	5	5	5	7	7	7	6	8	8	8	7	10	9
Total assets <sup>1</sup>	892	917	945	975	1,005	1,041	1, 107	1,143	1, 183	1, 241	1,286	1,349	1,408
I. Deposits and demand certificates	118	128	135	144	148	160	178	194	206	201	204	215	237
2. Deposits receipts and debentures	616	626	647	663	688	707	740	749	771	815	851	880	903
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	2	2	2	2	2	1	4	4	5	10	13	12	14
(b) Other loans and notes payable	6	8	7	5	3	6	5	4	6	16	20	24	29
). Other liabilities	10	10	11	11	14	15	16	22	22	23	23	30	35
Net worth													
). General, investment and special reserves	59	59°	61	62	62	62	74	73	75	75	77	79	83
. Paid-in capital	47	47	47	48	48	48	52	53	54	55	55	60	60
Net accruals, payables and retained income1	34	37	35	40	39	41	38	44	44	47	43	49	47
Total liabilities and net worth <sup>1</sup>	892	917	945	975	1,005	1,041	1, 107	1, 143	1, 183	1,241	1,286	1,349	1,408

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, vidends and other payables, and retained income.

TABLE 3. Sales Finance and Consumer Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

Assets  1. Cash on hand and on deposit: (a) In Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions (b) In foreign currency  2 3 2 1 1  2. Accounts and notes receivable 2,079 2,034 2,045 2,033 2,065 1.  3. Other current assets 2 2 3 3 2  4. Investments and advances: (a) Investments in Canadian securities: (i) Short-term notes of finance and other companies (ii) Government of Canada treasury bills (iii) Other Government of Canada debt. (iv) Other Canadian investments (iv) Other Canadian investments (iv) Other Canadian preferred and common stocks (c) Investments in Canadian preferred and common stocks (c) Investments in foreign securities (d) Investments in foreign securities (e) Investments in subsidiary and associated companies (g) Other Canadian preferred and common stocks (h) Investments in foreign securities (h) Investments in subsidiary and associated companies (h) Investments in subsidiary and associated	3 Q 4 Q millions of 18 2' 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2 Q 21 21 2, 200 3 16 18 16 17 6 5 28 172	29 1 2,173 4 14 19 36 13 8 5 4	22 1 2,343 4 16 18 42 9 5	18 1 4 2, 428 4 10 20 34 26 6	27 27 2, 567 4 17 14 29 25 8
Assets  1. Cash on hand and on deposit: (a) In Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions (b) In foreign currency  2 3 2 1 1  2. Accounts and notes receivable  2,079 2,034 2,045 2,033 2,065 1.  3. Other current assets 2 2 3 3 2  4. Investments and advances: (a) Investments in Canadian securities: (i) Short-term notes of finance and other companies (ii) Government of Canada treasury bills (iii) Other Government of Canada debt. (iv) Other Canadian bonds and debentures (v) Other Canadian investments (v) Other Canadian preferred and common stocks (c) Investments in Canadian preferred and common stocks (c) Investments in foreign securities (d) Investments in subsidiary and associated companies  89 96 109 120 131  5. Property, plant and equipment 13 12 12 13 13	millions of  18 2' 1,986 2,03 2 3 17 17 36 33 23 11 4 11 1 146 166 14 14 13 1	dollars  7	21 2, 200 3 16 18 16 17 6 5 28	29 1 2,173 4 14 19 36 13 8	22 1 2,343 4 16 18 42 9 5	18 1 4 2,428 4 10 20 34 26	27 2 2, 567 4 17 14 29 25
Assets  1. Cash on hand and on deposit: (a) In Canadian dollars: (i) Cash and bank deposits	18 2' 1 1,986 2,03 2 7 17 36 33 23 4 4 11 1: 146 16: 14 1: 13 1	7 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2, 200 3 16 18 16 17 6 5 28	1 2, 173 4 14 19 36 13 8	1 2,343 4 16 18 42 9 5	1 4 2,428 4 10 20 34 26	2 2, 567 4 17 14 29 25
1. Cash on hand and on deposit:  (a) In Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) In foreign currency  2	1 1 2 2 3 3 3 3 3 3 4 4 11 1 1 1 1 1 1 1 1 1 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2, 200 3 16 18 16 17 6 5 28	1 2, 173 4 14 19 36 13 8	1 2,343 4 16 18 42 9 5	1 4 2,428 4 10 20 34 26	2 2, 567 4 17 14 29 25
(a) In Canadian dollars:     (i) Cash and bank deposits	1 1 2 2 3 3 3 3 3 3 4 4 11 1 1 1 1 1 1 1 1 1 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2, 200 3 16 18 16 17 6 5 28	1 2, 173 4 14 19 36 13 8	1 2,343 4 16 18 42 9 5	1 4 2,428 4 10 20 34 26	2 2, 567 4 17 14 29 25
2. Accounts and notes receivable 2.079 2.034 2.045 2.033 2.065 1.  3. Other current assets 2 2 3 3 3 2  4. Investments and advances: (a) Investments in Canadian securities: (i) Short-term notes of finance and other companies 5 10 6 5 9 (ii) Government of Canada treasury bills 34 32 27 20 14 (iii) Other Government of Canada debt. 57 40 37 47 43 (iv) Other Canadian bonds and debentures 13 26 28 29 18 (v) Other Canadian investments 1 2 2 2 3 (b) Investments in Canadian preferred and common stocks (C) Investments in foreign securities 4 4 8 4 5 (d) Investments in subsidiary and associated companies 89 96 109 120 131  5. Property, plant and equipment 13 12 12 13 13	2 7 17 36 33 23 4 4 11 146 166 14 14 14 13 1	3 3 4 5 5 5 0 29 24 4 5 4 4 14 0 160	16 18 16 17 6	14 19 36 13 8	16 18 42 9 5	10 20 34 26	17 14 29 25
3. Other current assets	7 17 36 36 36 23 4 4 11 11 11 146 166 14 14 11 13 11	4 5 5 5 0 29 8 24 4 5 4 4 9 14 0 160	16 18 16 17 6	14 19 36 13 8	16 18 42 9 5	10 20 34 26	17 14 29 25
4. Investments and advances:  (a) Investments in Canadian securities:  (i) Short-term notes of finance and other companies  (ii) Government of Cunada treasury bills  (iii) Other Government of Canada debt.  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments  (v) Other Canadian investments  (b) Investments in Canadian preferred and common stocks  (c) Investments in foreign securities  (d) Investments in subsidiary and associated companies  (e) Property, plant and equipment  (1) 10 6 5 9  4 32 27 20 14  43 42 22 2  3 37 47 43  4 4 8 4 5  6 10 10 10 10 10 10 10 10 10 10 10 10 10	17 36 23 4 4 11 146 146 14 13	5	18 16 17 6 5 28	19 36 13 8	18 42 9 5	20 34 26	14 29 25
(iii) Other Government of Canada debt	23 4 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	8 24 5 4 4 9 14 0 160	17 6 5 28	13 8	9 5	26	25
(c) Investments in foreign securities	146 16 14 1 13 1	0 160		4		11	11
5. Property, plant and equipment 13 12 12 13 13	13 1	4 15	110	194	187	207	226
			16	17	15	16	17
6. Other assets 12 12 13 14 15		3 14	14	16	17	17	17
	2,284 2,33	4 2,388	2,533	2,532	2,689	2,800	2,963
Liabilities							
11. Owing parent and associated companies	394 41	3 424	432	414	460	456	474
12. Short-term loans and notes payable: (a) Bank loans and overdrafts	166 19		232 532 <sup>r</sup>	194 558*	206 575*	188 690°	192
dollars    533°   514°   493°   565°   564°	489 46 28 2		38	38	88	66	83
(d) Other short-term loans payable 1 <sup>r</sup>	19 2	0 22 26	19 34	19 29	18 26	20 35	20
14. Other current liabilities:       50       49       46       44       46         (a) Dealers' credit balances       50       49       46       44       46         (b) Other current liabilities       3       2       2       2       3	46 4	6 41 2 3	45	46	44	42	44 5
15. Long-term debt; (a) Debentures, bonds and notes	656 68	2 693	704	718	743 5	769	819
16. Other liabilities:       (a) Unearmed income and other deferred credits       138       140       139       134       138         (b) Pensions, trust or earmarked funds       (c) Interest of minority shareholders       1       1       1       1       1       1       1	139 13 1 1	17 139 1 1	148 1 1	155 1 1	157	157 1 1	172 1 1
Net worth							
20. Paid-in capital 159 161 166 173 179	186 19	1 197	198	202	221	224	236
21. Retained income     114     120     113     120     121       Total liabilities and net worth     2,333     2,300     2,317     2,320     2,344     2	128   12 2,284   2,33		139 2,533	146	141	146	152 2.963
*Footnote:	~, ~o= ~, oo	2,300	4,000	2,032	A, 000	w, 000	2, 300
(a) Specified receivables:¹ Instalment finance companies:							
Consumer goods         844         851         828         784         797           Commercial and industrial goods         399         407         393         383°         404°           Wholesale goods         268         160         229         256         223	794 75 405 39 128 18	386	767 415 236	776 434 140	771 425 237	771 423 300	835 454 271
	1,327 1,33	1,348	1,418	1,350	1,433	1,494	1,560
Consumer loan companies:       45       47       45       44       42         Cash loans       479       490       504       506       526	38 3 534 55	35 35 59 572	39 596	44 617	45 644	44 658	45
Totals 524 537 549 550 568	572 59		635	661	689	702	734
(b) Other receivables <sup>2</sup>	123 13		184	199	259	270	315
Total receivables	2,022 2,06		1		-	2,466	2,609
Allowance for bad debts 31 - 31 - 31 - 31 - 33	- 35 - 3	.,		- 37	- 38	- 38	- 42
Total receivables (net)	1,986 2,03				2,343	2,428	2,567

<sup>&</sup>lt;sup>1</sup> Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004)

<sup>2</sup> "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and

Revised figures.

### TABLE 4. Consumer Loan Companies<sup>1</sup>

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

į	Quarterly Statements of E	Stillat	eu Asi	sets, I	naom	ties an	id Net	worth						
			1960	1		196	51			15	962		19	63
		2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	10	2ର	3 Q	4 Q	1 Q	2 Q
	Assets		1	ı	ı	1	millio	ns of d	ollars	)	1	1	1	1
1.	Cash on hand and on deposit:													
	(a) In Canadian dollars: (i) Cash and bank deposits													
	(ii) Cash in other institutions	4	6	7	6	4	6	6	4	6	7	5	5	5
	(b) In foreign currency													
2.	Accounts and notes receivable	495	502	510	508	525	529	541	548	573	589	608	615	642
3.	Other current assets							1	1	1	1	1	1	1
4.	Investments and advances:													
	(a) Investments in Canadian securities:  (i) Short-term notes of finance and other companies  (ii) Government of Canada treasury bills  (iii) Other Government of Canada debt  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments  (b) Investments in Canadian preferred and common stocks	3	5.	4	5	9	7	4	4	13	10	14	9	14
•	(c) Investments in foreign securities													
-	(d) Investments in subsidiary and associated companies													
5.	Property, plant and equipment	5	5	5	. 2	5	5	5	5	5	5	5	5	5
6.	Other assets	1	1	1	1	1	1	1	1		1	1	1	1
,	Total assets	507	519	526	525	544	547	557	563	598	612	633	636	668
	Liabilities													
1.	Owing parent and associated companies	310	318	333	331	340	355	367	369	375	384	404	400	416
2.	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	74 30	63 41	72 30	55 39	64 45	49 42	49 39	42	51 50	49 49	51 58	51 56	52 62
	(c) Demand and short-term notes payable (foreign currency)	1	1	1	33	1	1	33	1	. 30	1	1	1	02
	(d) Other short-term loans payable													
3.	Accounts payable: (a) Income and other taxes payable								10		10		10	_
	(b) Other payables	8	8	8	9	7	*3	8	10 4	8	10. 7	9	10	9
4.	Other current liabilities:													
,	(a) Dealers' credit balances	2	2	2	1	2	1	1	1	1	1	1	1	1
	(b) Other current liabilities													
5.	Long-term debt: (a) Debentures, bonds and notes	4	4	. 4	7	6	6	7	8	7	8	8	9	11
	(b) Mortgages and other long-term debt													
6.	Other liabilities:													
•	(a) Unearned income and other deferred credits	18	18	18	18	19	19	19	21	23	23	24	24	26
	(c) Interest of minority shareholders													
	Net worth													
D.	Paid-in capital	38	38	41	41	41	44	44.	45	49	49	52	52	52
1.	Retained income	19	22	13	18	. 16	20	18	23	25	31	22	27	30
	Total liabilities and net worth	507	519	526	525	544	547	557	563	598	612	633	636	668
-										1				

<sup>&</sup>lt;sup>1</sup> Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these comanies. Totals in this table therefore represent only about 90% of total assets of Consumer Loan Companies.

CATALOGUE No.
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HF 129 A314 1963 no. 3



# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
THIRD OUARTER 1963

Published by Authority of
The Minister of Trade and Commerce

Canada

(DOMINION BUREAU OF STATISTICS

Business Finance Division

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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

### Selected Financial Institutions

### THIRD QUARTER 1963

### INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

### CONTENT OF GROUPS

#### Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

#### Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

### Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

### Item 12 – Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

### Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

### B. Sales Finance and Consumer Loan Companies

#### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication Credit Statistics contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in Credit Statistics. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

### Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

### Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

#### Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

## Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

#### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth 4Q millions of dollars Assets 1. Cash on hand and on deposit: (i) Cash and bank deposits ..... (ii) Cash in other institutions ..... (b) In foreign currency ..... 3. Investments: (a) Investments in Canadian securities: (i) Government of Canada treasury bills ..... (ii) Other Government of Canada debt ..... (iii) Provincial government debt ..... (iv) Municipal government debt..... (v) Short-term notes of finance and other companies ...... (vi) Corporation and institution bonds ..... (vii) Mortgage loans and sales agreements ..... 1,022 (viii) Collateral loans ..... (b) Investments in Canadian preferred and common stocks .......... (c) Investments in foreign securities ..... 6 | (d) Investments in subsidiary and associated companies ...... 4. Real estate and equipment 5. Other assets 11. Deposits and demand certificates 12. Deposit receipts and guaranteed investment certificates ..... 974 1,026 1,100 1.149 13. Short-term loans and notes payable: (a) Bank loans and overdrafts 15. Other liabilities 20. General, investment and special reserves 21, Paid-in-capital So Say as early, partition part cultural process 1,822 1,877 2,046

Total assets excludes dividends, accrued interest, and other receivebles. These receivebles are netted against the combined liability items, interest.

TABLE 2. Mortgage Loan Companies

		1960			19	061			19	62			1963	·
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
						1	million	s of doll	ars	·	1	1		L
Assets														
, Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits(ii) Cash in other institutions	15 1	16	15 1	12 1	11	12	14	12	12	13	19	13	14	15
(b) In foreign currency	1	2	1	1	1	1	4	4	3	3	5	3	3	3
		64												
. Investments:														
(a) Investments in Canadian securities:  (i) Government of Canada treasury bills		1		1	1	3	6	3		3	2	5	7	3
(ii) Other Government of Canada debt	81	81	77	83	84	84	90	102	102	96	98	108	124	127
(iii) Provincial government debt	23	25	25	26	26	25	29	32	32	31	31	31	33	34
(iv) Municipal government debt(v) Short-term notes of finance and other	7	7	7	7	6	6	8	9	8	8	8	8	8	8
companies	5	5	9	7	10	9	4	9	5	8	4	22	12	4
(vi) Corporation and institution bonds	9 668	10 685	10 715	11 734	12 7.59	792	14 832	15 849	15 891	15 937	981	1, 011	17 1,058	18 1, 121
(viii) Collateral loans	11	11	8	12	14	13	10	11	13	21	18	15	12	17
(b) Investments in Canadian preferred and common stocks	31	31	31	33	33	32	33	33	34	34	35	38	39	45
(c) Investments in foreign securities	5	5	5	3	3	3	3	3	4	5	6	6	4	4
(d) Investments in subsidiary and associated companies	15	15	21	21	21	21	34	33	34	37	36	40	41	41
Real estate and equipment	16	16	16	17	17	19	19	21	22	22	24	26	28	31
. Other assets	5	5	5	7	7	7	6	8	8	8	7	10	9	8
Total assets <sup>1</sup>	892	917	945	975	1,005	1,041	1,107	1,143	1,183	1,241	1,286	1,349	1,408	1,479
Liabilitíes														
Deposits and demand certificates	118	128	135	144	148	160	178	194	206	201	204	215	237	255
Deposit receipts and debentures	616	626	647	663	688	707	740	749	771	815	851	880	903	928
Short-term loans and notes payable:														
(a) Bank loans and overdrafts	2	2	2	2	2	1	4	4	5	10	13	12	14	17
(b) Other loans and notes payable	6	8	7	5	3	6	5	4	6	16	20	24	29	39
Other liabilities	10	10	11	11	14	15	16	22	22	23	23	30	35	39
Net worth														
General, investment and special reserves	59	59	61	62	62	62	74	73	75	75	77	79	83	86
Paid-in capital	47	47	47	48	48	48	52	53	54	55	55	60	60	69
Net accruals, payables and retained income <sup>1</sup>	34	37	35	40	39	41	38	44	44	47	43	49	47	47
Total liabilities and net worth <sup>1</sup>	892	917	945	975	1,005	1,041	1,107	1,143	1, 183	1,241	1,286	1, 349	1,408	1,479

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, idends and other payables, and retained income.

#### TABLE 3. Sales Finance and Consumer Loan Companies

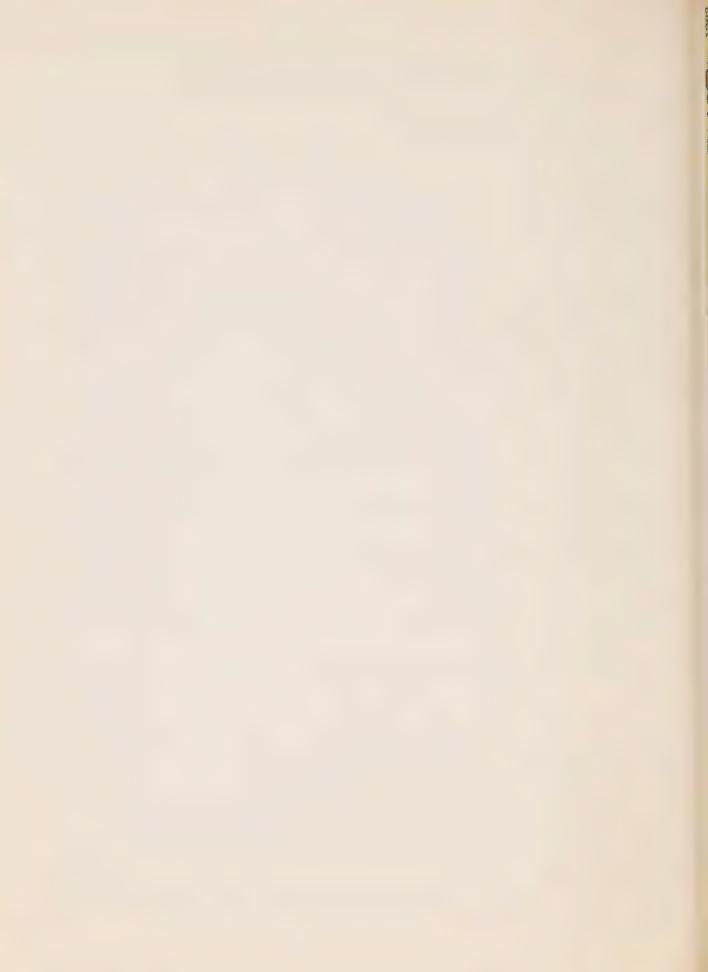
		1960			190	61			19	62			1963	
	2Q	3Q	4Q	1Q	2Q	3 Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
						D	illions	of dollar	S				1	
Assets														
1. Cash on hand and on deposit:  (a) In Canadian dollars:	0.1	00	0.7	24	20	18	27	14	21	29	22	18	27	25
(i) Cash and bank deposits(ii) Cash in other institutions(b) In foreign currency	21	26 3	27	24	20	1	1 1	1 1		1	1	1 4	2	2
2, 1100041170 4114 110100 10101		2,034	2, 045	2,033	2,065	1,986	2, 031	2,095	2,200	2, 173	2,343	2,428	2,567	2, 552
3. Other current assets	2	2	3	3	2	2	3	3	3	4	4	4	7	7
4. Investments and advances:  (a) Investments in Canadian securities:  (i) Short-term notes of finance and other	5	10	6	5	9	7	4	5	16	14	16	10	17	7
companies(ii) Government of Canada treasury bills	5 34	10 32	27	20	14	17	5	5	18	19	18	20	14	13
(iii) Other Government of Canada debt (iv) Other Canadian bonds and debentures (v) Other Canadian investments	57 13 1	40 26 2	37 28 2	47 29 2	43 18 3	36 23 4	30 18 4	29 24 5	16 17 6	36 13 8	42 9 5	34 26 6	29 25 8	6 69 10
(b) Investments in Canadian preferred and common stocks	4	4	8	4 4	4 5	4 11	4 19	4 14	5 28	5 4	9	11	11	12
(d) Investments in subsidiary and associated companies	89	96	109	120	131	146	160	160	172	194	187	207	226	219
5. Property, plant and equipment	13	12	12	13	13	14	14	15	16	17	15	16	17	16
6. Other assets	12	12	13	14	15	13	13	14	14	16	17	17	17	18
Total assets	2,333	2,300	2, 317	2,320	2,344	2,284	2,334	2,388	2,533	2,532	2,689	2,800	2,963	2,955
Liabilities														
11. Owing parent and associated companies	345	350	361	360	367	394	413	424	432	414	460	456	474	459
12. Short-term loans and notes payable: (a) Bank loans and overdrafts	302	253	281	208	213	166	195	168	232	194	206	188	192	186
(b) Demand and short-term notes payable	533	514	493	565	564	489	465	508	532	558	575	690	719	703
(Canadian dollars)(c) Demand and short-term notes payable														
(foreign currency)(d) Other short-term loans payable	55	49	50	37	35	28	26	27	38	38	88	66	83	84
13. Accounts payable: (a) Income and other taxes payable		19 23	20 21	21 19	17 23	19 24	20 22	22 26	19	19 29	18 26	20 35	20 44	24 35
14. Other current liabilities: (a) Dealers' credit balances (b) Other current liabilities		49	46	44 2	46	46	46	41 3	45 3	46 4	44 4	42	44 5	<b>46</b> 5
15. Long-term debt: (a) Debentures, bonds and notes (b) Mortgages and other long-term debt		612	618	630	632	656 4	682	693 5	704 5	718 5	743 5	769 1	819 1	<b>83</b> 5
16. Other liabilities:  (a) Unearned income and other deferred credits  (b) Pagesines trust or compelled funds	138	140	139	134	138	139	137	139	148	155	157	157	172	177
(b) Pensions, trust or earmarked funds	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1
Net worth														
20. Paid-in capital	159	161	166	173	179	186	191	197	198	202	221	224	236	238
21. Retained income	114	120	113	120	121	128	127	133	139	146	141	146	152	159
Total liabilities and net worth	2, 333	2,300	2,317	2,320	2,344	2,284	2,334	2,388	2,533	2, 532	2, 689	2,800	2,963	2,955
*Footnote:								1						
(a) Specified receivables: <sup>1</sup> Instalment finance companies:														
Consumer goods	844	851	828	784	797	794	756	732	767	776	771	771	835	847
Commercial and industrial goods	399 268	160	393 229	383 256	404 223	405 128	395 184	386 230	415 236	434 140	425 237	423	454 271	462 165
Totals	1,511	1,418	1,450	1,423	1,424	1,327	1,335	1,348	1,418	1,350	1,433	1,494	1,560	1,474
Consumer loan companies:										,				
Instalment credit  Cash loans	45 479	47 490	45 504	44 506	42 526	38 534	35 559	35	39	44	45	44	45	46
Totals		537	549	550	568	572	594	572 607	596 <b>635</b>	617 661	644 689	658 702	689 734	706
,b) Other receivables <sup>2</sup>	74	110	77	91	106	123		1						1
Total receivables		2, 065	2,076	2,064	2,098	2,022	135	175 2,130	184	199	259 2,381	270 2,466	315	2,596
Allowance for bad debts	- 31	- 31	- 31	- 31	- 33	- 35	- 34	- 35	1	1				- 44
Total receivables (net)		1	2,045	1		1,986		2,095	- 37 2,200	- 37 2,173	- 38 2,343	- 38 2,428	- 42 2,567	2,552
	1	1	1	1	-,-	-	,	2,000	4, 400	A, 110	4,070	4, 440	2,00:	2,00

Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004)
"Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, a sampling effets.

## TABLE 4. Consumer Loan Companies¹ Quarterly Statements of Estimated Assets, Liabilities and Net Worth

,	Quarterry Statemen	ints of i	estimat	eu Ass	ets, Li	RDILLETE	es and	Net wo	rtn						
			1960			1	961	,		19	962			1963	
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	Assets		[			1	mi 1	llions :	of dolla 	rs	l	ı	ì		1
1.	Cash on hand and deposit;														
•	(a) In Canadian dollars:														
	(i) Cash and bank deposits	4	6	7	5	4	6	6	4	6	7	5	5	5	8
	(b) In foreign currency														
2.	Accounts and notes receivable	495	502	510	508	5 25	529	541	548	573	589	608	615	642	652
3.	Other current assets							1							
	Investments and advances:							1	1	1	1	1	1	1	1
4.	(a) Investments in Canadian securities:														
	(i) Short-term notes of finance and other companies (ii) Government of Canada treasury bills (iii) Other Government of Canada debt (iv) Other Canadian bonds and debentures (v) Other Canadian Investments	3	5	4	5	9	7	4	4	13	10	14	9	14	4
	(b) Investments in Canadian preferred and common stocks (c) Investments in foreign securities														
	(d) Investments in subsidiary and associated companies														
5.	Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5	5
6.	Other assets	1	1	1	1	1	1	1	1		1	1	1	1	1
	Total assets	507	519	526	525	544	547	557	563	598	612	633	636	668	671
	Liabilities														
11.	Owing parent and associated companies	310	318	333	331	340	355	367	369	375	384	404	400	416	405
12.	Short-term loans and notes payable:						40								
	(a) Bank loans and overdrafts	74 30	63 41	72 30	55 39	64 45	49 42	49 39	42	51 50	49	51 58	51 56	52 62	58 61
į.	(c) Demand and short-term notes payable (foreign currency)	1	1	1		1	1		1		1	1	1	-	02
	(d) Other short-term loans payable														
13.	Accounts payable:														
	(a) Income and other taxes payable	8	8	8	9	7	8	8	10	8 7	10	9	10	9	11 9
	(b) Other payables	3	3	3	3	4	3	3	4	*	- 1	4	4	9	9
14.	Other current liabilities:	2	2	2	1	2	1	1	1	1	1	1	1	1	1
	(a) Dealers' credit balances	4		4	1	4	1	1	•	-	-	1		-	1
15	Long-term debt:									-					
13.	(a) Debentures, bonds and notes	4	4	4	7	6	6	7	8	7	8	8	9	11	11
	(b) Mortgages and other long-term debt														
16.	Other liabilities:														
	(a) Unearned income and other deferred credits	18	18	18	18	19	19	19	21	23	23	24	24	26	27
	(c) Interest of minority shareholders														
	Net worth														
20	Paid-in capital	38	38	41	41	41	44	44	45	49	49	52	52	52	52
	Retained income	19	22	13	18	16	20	18	23	25	31	22	27	30	36
440	accounted income	15	20												
_	Total liabilities and net worth	507	519	526	525	544	547	557	563	598	612	633	636	668	671

<sup>&</sup>lt;sup>1</sup> Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies. Totals in this table therefore represent only about 90% of total assets of Consumer Loan Companies.



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
FOURTH QUARTER 1963

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#### NOTE

The tables in this report have been revised for previous periods to take into account the latest available information.

## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

## Selected Financial Institutions FOURTH QUARTER 1963

#### INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

#### CONTENT OF GROUPS

#### **Trust Companies**

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

#### Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

#### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

#### DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

#### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

#### Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

### Item 12 – Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

#### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

#### B. Sales Finance and Consumer Loan Companies

#### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

#### Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

#### Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

## Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

#### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies
Quarterly Statements of Estimated Assets, Liabilities and Net Worth

		19	61			19	62			19	63	
				4.0	1.0	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
	1 Q	2 Q	3 Q	4 Q	1 Q	202	3 W	7 02	1 00	2 0		1 0
					m	illions	of dollar	S				
Assets												
1. Cash on hand and on deposit:												
(a) In Canadian dollars:												
(i) Cash and bank deposits	29	31	33	47	30	34	26	46	61	62	44	57
(ii) Cash in other institutions	2	2	2	3	2	2	1	1	1	3	2	2
(b) In foreign currency	1	7	11	4	16	22	8	7	8	8	4	8
3. Investments:												
(a) Investments in Canadian securities:					,							
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18	9	4	16	22
(ii) Other Government of Canada debt	253	264	267	277	304	288	290	281	289	311	288	295
(iii) Provincial government debt	115	119	127	131	135	136	131	136	144	159	161	152
(iv) Municipal government debt	1	73	78	82	85	86	87	94	103	107	113	112
(v) Short-term notes of finance and other companies		161	169	112	185	145	159	122	190	215	213 167	107
(vi) Corporation and institution bonds		114 535	118 588	127 630	126 680	137 744	132 810	140 845	147 905	157 966	1, 036	1. 088
(vii) Mortgage loans and sales agreements		72	74	63	66	68	70	83	74	69	80	110
(b) Investments in Canadian preferred and common stocks		48	50	53	54	57	60	63	73	65	65	64
(c) Investments in foreign securities		6	6	6	6	6	6	6	6	3	3	3
(d) Investments in subsidiary and associated companies		6	6	7	7	7	8	9	8	9	10	9
4. Real estate and equipment	21	23	24	26	28	28	28	31	33	32	33	36
5. Other assets	10	11	10	12	10	12	13	13	13	15	14	15
Total assets <sup>1</sup>	1,434	1,479	1,573	1,590	1,743	1,779	1, 839	1,894	2,064	2, 185	2, 251	2, 251
Liabilities												
11. Deposits and demand certificates	482	490	530	558	624	657	633	659	713	780	860	866
12. Deposit receipts and guaranteed investment certificates	779	805	854	851	923	928	995	1,045	1, 122	1, 170	1, 171	1, 169
13. Short-term loans and notes payable:												
(a) Bank loans and overdrafts	9	10	12	9	9	10	10	2	3	3	3	2
(b) Other loans and notes payable	1	18	18	6	19	9	27	7	36	42	24	17
15. Other liabilities	5	4	3	3	4	3	3	2	3	2	2	2
Net worth												
20. General, investment and special reserves	77	80	80	88	90	93	93	102	105	107	107	105
21. Paid-in capital	57	58	59	60	58	60	60	62	64	65	65	75
30. Net accruals, payables and retained income <sup>1</sup>	16	14	18	16	15	19	18	14	18	16	19	14
Total liabilities and net worth <sup>1</sup>	1,434	1,479	1,573	1,590	1,743	1, 779	1,839	1,894	2,064	2, 185	2, 251	2, 251

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

#### TABLE 2. Mortgage Loan Companies

	1960			961			Net Wor	20			10		
			1.	,01			19	02			19	63	
	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
Assets			ì			mill:	ions of o	lollars 	١	1	ŀ	1	ì
1. Cash on hand and on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits	15	12	10	12	14	16	17	17	23	18	19	19	20
(ii) Cash in other institutions	1	1	1	1	4	4	1	4	5	6	5	3	3
(b) In foreign currency				1									
3. Investments:  (a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	-	1	1	3	6	3	0.0	3	2	5	7	3	4
(ii) Other Government of Canada debt(lii) Provincial government debt	77 25	83 26	84 26	84 25	90 29	96 32	95 32	89	91 31	102 31	118	120 34	103 35
(iv) Municipal government debt(v) Short-term notes of finance and other com-	7	7	6	6	8	9	9	8	8	8	8	8	8
panies(vi) Corporation and institution bonds	9	7	10	9 14	4 14	9 14	5 15	8 14	4 14	22 14	12 16	4 17	18
(vii) Mortgage loans and sales agreements	715 8	735 12	760 14	795 13	836 10	858 11	898 13	946	989 18	1.017	1,066	1, 122	1. 165
(b) Investments in Canadian preferred and common stocks	31	33	33	32	33	34	36	37	38	41	42	46	50
(c) Investments in foreign securities	5	3	3	3	3	3	6	6	6	6	4	4	4
(d) Investments in subsidiary and associated com- panies	21	21	21	21	34	33	33	34	36	39	41	41	43
4. Real estate and equipment	16	17	17	19	19	25	26	26	28	31	32	36	38
5. Other assets	5	7	7	7	5	8	8	7	7	10	8	8	8
Total assets <sup>1</sup>	945	975	1, 007	1, 043	1, 110	1, 155	1, 194	1, 253	1, 300	1, 364	1, 423	1, 483	1, 514
Liabilities													
11. Deposits and demand certificates	135	144	148	160	178	196	208	203	205	217	238	256	258
12. Deposit receipts and debentures	590	607	627	648	668	675	690	734	763	787	811	821	844
13. Short-term loans and notes payable:											,		
(a) Bank loans and overdrafts	2	2	2	2	4	6	7	12	14	15	15	17	12
(b) Other loans and notes payable				1		3	4	4	4	3	3	5	6
15. Other liabilities	75	73	81	81	95	103	110	120	136	153	163	183	194
Net worth													
20. General, investment and special reserves	61	62	62	62	74	73	74	75	78	79	84	85	87
21. Paid-in capital	47	48	48	48	52	54	55	56	57	61	61	68	70
30. Net accruals, payables and retained income <sup>1</sup>	35	40	39	41	38	45	45	49	44	49	48	47	45
Total liabilities and net worth <sup>1</sup>	945	975	1,007	1,043	1, 110	1, 155	1, 194	1, 253	1, 300	1, 364	1,423	1, 483	1, 514

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

### TABLE 3. Sales Finance and Consumer Loan Companies

Quaiterry	1960 1961							62			19	63	
	1960		13	70 1									
	4 Q	19	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
Assets		1											
1. Cash on hand and on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits	28	25	21	18	27	15 1	22	26	28	19	27	26	31
(li) Cash in other institutions(b) In foreign currency	2	1	1	1	1	1		1	1	4	2	2	2
2. Accounts and notes receivable*	2,049	2, 038	2,071	1,992	2,037	2, 105	2, 225	2, 205	2, 365	2,449	2, 582	2, 553	2,732
3. Other current assets	3	3	2	4	3	3	- 1	T .	*	1	^	^	
(a) Investments in Canadian securities:  (i) Short-term notes of finance and other													
companies	6 27	5 20	9 14	7 17	4 5	5	17 18	13 19	16 17	10 20	17 14	8 13	8 5
(ii) Government of Canada treasury bills	37	47	43	36	30 18	29 24	16 17	35 13	42	34 26	29 25	6	18
(iv) Other Canadian bonds and debentures (v) Other Canadian investments	28 2	29	18 3	23 4	4	5	5	8	6	8	9	12	43 13
(b) Investments in Canadian preferred and com- mon stocks		4	4	4	4	4	5	5	10	13	11	12	13
(c) Investments in foreign securities(d) Investments in subsidiary and associated	8	4	5	11	19	14	28	4		645		600	2
companies	109	120	131	146 14	160 14	161 15	172	197	195 16	212	226 17	220	251
5. Property, plant and equipment	12	13	13	13	13	15	15	16	18	19	18	18	21
Total assets	2, 322	2, 325	2, 350	2, 290	2, 340	2, 401	2, 560	2,561	2, 726	2,834	2, 982	2, 961	3, 162
Liabilities													
11. Owing parent and associated companies	362	361	368	396	415	427	434	417	464	461	478	460	485
12. Short-term loans and notes payable:	201		011	100	105	100	000	100	040	100	104	100	054
(a) Bank loans and overdrafts(b) Demand and short-term notes payable (Canadian	281	209	214	166	195	166	233	198	212	189	194	187	254
dollars)(c) Demand and short-term notes payable (foreign	493	565	564	489	465	512	540	570	582	703	723	704	731
(d) Other short-term loans payable	50	37	35 1	28	26 2	26 2	39	38	88 2	66 2	83 2	84	113
13. Accounts payable: (a) Income and other taxes payable	20 21	21 19	17 23	19 24	20 22	21 27	19 34	19 30	17 30	20 36	20 44	24 35	22 39
14. Other current liabilities; (a) Dealers' credit balances (b) Other current liabilities	47	44 2	46	47 3	46 2	42	45 3	46	43 4	42	45 4	46	43
15. Long-term debt: (a) Debentures, bonds and notes	621	634	636	660	687	700	712	723	758	776	823	834	864
(b) Mortgages and other long-term debt	2	2	2	3	2	2	4	2	2	2	3	3	4
16. Other liabilities: (a) Unearned income and other deferred													
credits	139	134	139	139 1 1	137 1 1	139	150 1 1	157 1 1	159	158 1 1	173 1 1	178 1 1	182
Net worth													
20. Paid-in capital	167	174	180	187	192	199	206	208	223	2.27	238	239	252
21. Retained income	113	120	2 350	1 28	127 2, 340	133	139	145	140	148	151	160	3,162
	N1 0 NN	A1 0 A0	21 330	A1 230	4, 340	2, 401	2, 560	2, 561	2, 726	2,834	2, 982	2,961	3,102
*Footnote: (a) Specified receivables:1													
Instalment finance companies:													
Commercial and industrial goods	828 393	784	797	794 405	756 395	739 390	782 423	798 445	801 440	799 438	865 469	877	886 466
Wholesale goods Totals	229	256 1, 423	223	128	184	230	237	143	240	303	274	166	292
	1, 200	11 443	1, 424	1, 327	1, 335	1, 359	1, 442	1, 386	1, 481	1,540	1,608	1,526	1, 644
Consumer loan companies: Instalment credit	45	44	42	38	35	37	42	49	52	51	52	55	55
Cash loans	504	506	526	534	559	576	604	631	662	674	709	728	753
to Other receivables <sup>2</sup>	549	550	568	572	594	613	646	680	714	725	761	783	808
Total receivables		96	2, 104	128	142	168	174	176	208	223	252	288	323
All wance for bad debts	- 31	- 31	- 33		2, 071	2, 140	2, 262	2, 242	2, 403	2, 488	2, 621	2, 597	2, 775
Total receivables (net)	2,049	2, 038	2,071	- 35 1, 992	2,037	- 35 2, 105	- 37 2, 225	- 37 2, 205	- 38 2, 365	- 39 2,449	- 39 2, 582	- 44 2,553	- 43 2,732
1 Detail of vice and the second			-	1	-, 501	2, 203	~, 223	2, 203	2, 303	2, 449	2, 382	2, 333	21 102

¹ Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004)
2 "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and

## TABLE 4. Consumer Loan Companies<sup>1</sup> Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	Quarterly Statements	s of Esti	imated A	ssets, I	Jabilitie	s and N	let Wor	th						
		1960		19	961			1	962			19	963	
_		4Q	1Q	2Q	3Q	4Q	10	2Q	3Q	4Q	1Q	2Q	3 Q	4Q
	Assets		1	1	1	million	ns of d	ollars	1	1	1	1		1
1	. Cash on hand and deposit:													
	(a) In Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions	7	6	4	6	6	4	6	7	5	5	5	8	7
	(b) In foreign currency													
	. Accounts and notes receivable	510	508	525	529	541	550	575	591	610	617	644	654	673
3	Other current assets	1				1	1	1	1	1	1	1	1	1
4	Investments and advances:  (a) Investments in Canadian securities:  (i) Short-term notes of finance and other companies  (ii) Government of Canada treasury bills  (iii) Other Government of Canada debt  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments	4	5	9	7	4	4	13	10	14	9	15	4	4
	(b) Investments in Canadian preferred and common stocks (c) Investments in foreign securities													
ł	(d) Investments in subsidiary and associated companies													
5,	Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
6.	Other assets	1	1	1	1	1	1	1	1	1	1	1	1	1
No.	Total assets	526	525	544	547	557	565	600	614	636	638	670	673	691
:														
	Liabilities													
11.	Owning parent and associated companies	333	331	340	355	367	370	376	385	405	401	417	406	411
,2,	Short-term loans and notes payable:													
The same of the sa	(a) Bank loans and overdrafts	72 30 1	55 39	64 45 1	49 42 1	49 39	42 41 1	51 50	50 49 1	52 58 1	52 56 1	52 62	58 61	67 69
13.	Accounts payable:													
-	(a) Income and other taxes payable	8	9. 3	7	8	8	10 4	8 7	10 7	9	10 4	9	11	8
4.	Other current liabilities:  (a) Dealers' credit balances	2	1	2	1	1	1	1	1	1	1	1	1	1
5.	Long-term debt: (a) Debentures, bonds and notes	4	7	6	6	7	8	7	8	8	9	11	11	11
6.	Other liabilities:  (a) Unearned income and other deferred credits	18	18	19	19	19	21	23	23	24	24	26	27	30
1	Wah mand)													
10	Net worth	4.1	44	41	44	44	45	50	50	52	52	53	53	56
	Paid-in capital	41	41	41	44	10		25	31	22	27	30	36	33
1.	Retained income	13	18	16	20	18	23							
	Total liabilities and net worth	526	525	544	547	557	565	600	614	636	638	670	673	691

<sup>&</sup>lt;sup>1</sup> Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these comanies. Totals in this table therefore represent only about 90% of total assets of Consumer Loan Companies.



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
FIRST QUARTER, 1964

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The Minister of Trade and Commerce

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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

## Selected Financial Institutions FIRST QUARTER 1964

#### INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

#### CONTENT OF GROUPS

#### Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

#### Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

#### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manu-

facturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

#### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

#### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

#### Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12 - Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

#### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

#### B. Sales Finance and Consumer Loan Companies

#### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

#### Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

#### Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

## Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

#### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

#### TABLE 1. Trust Companies

Questocial woo		01											-
	1961					19	62			19	63		1964
	1Q	2Q	3Q	42	1Q	2Q	32	42	1Q	2Q	3Q	4Q	1Q
						mill	ions of	dollars					
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:	29	31	33	47	30	34	26	46	61	62	44	57	34
(i) Cash and bank deposits(ii) Cash in other institutions	2	2	2	3	2	2	1	1	1	3	2	2	3
(b) In foreign currency	1	7	11	4	16	22	8	7	8	8	4	8	4
(4)													
3. Investments:													
(a) Investments in Canadian securities:							10	10			10		4.5
(i) Government of Canada treasury bills	10	8	10	9	10	7	10	18 281	289	311	16 288	22 295	15 336
(ii) Other Government of Canada debt	253	264	267	277	304	288 136	290 131	136	144	159	161	152	161
(iii) Provincial government debt	115 69	119 73	127 78	131	135 85	86	87	94	103	107	113	112	124
(iv) Municipal government debt(y) Short-term notes of finance and other com-	09	19	10	02	00	00	01	31	100	10.	110	1 1 1 1 1	401
panies	178	161	169	112	185	145	159	122	190	215	213	107	231
(vi) Corporation and institution bonds	112	114	118	127	126	137	132	140	147	157	167	170	184
(vii) Mortgage loans and sales agreements	513	535	588	630	680	744	810	845	905	966	1,036	1,088	1, 148
(viii) Collateral loans	65	72	74	63	66	68	70	83	74	69	80	110	83
(b) Investments in Canadian preferred and common stocks	46	48	50	53	54	57	60	63	73	65	65	64	67
(c) Investments in foreign securities	5	6	6	6	6	6	6	6	6	3	3	3	8
(d) Investments in subsidiary and associated com-	_				_						1.0		*0
panies	7	6	6	7	7	7	8	9	8	9	10	9	10
4. Real estate and equipment	21	23	24	26	28	28	28	31	33	32	33	36	42
5. Other assets	10	11	10	12	10	12	13	13	13	15	14	15	16
Total assets <sup>1</sup>	1, 434	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2, 185	2,251	2,251	2,465
Liabilities													
11. Deposits and demand certificates (a) Chequable	449"	453 <sup>r</sup>	488°	512°	579 °	612°	588°	610°	656°	718°	791°	796	422
(b) Non-chequable <sup>2</sup>			1			012		0.10	000				443
12. Deposit receipts and guaranteed investment certificates	811	842°	895°	896°	968 <sup>r</sup>	974	1,040°	1,094°	1,179°	1,232	1,239°	1, 238 <sup>r</sup>	1,354
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	0	10	10										0
		10	12	9	9	10	10	2	3	3	3	2	2
(b) Other loans and notes payable	11	18	18	6	19	9	27	7	36	42	24	17	25
15. Other liabilities <sup>3</sup>	5	4	3	3	4	3	3	2	3	2	2	2	7
Net worth													
Net Worth													
20. General, investment and special reserves	77	80	80	88	90	93	93	102	105	107	107	105	116
21. Paid-in capital	57	58	59	60	58	60	60	62	64	65	65	75	72
30. Net accruals, payables and retained income <sup>1</sup>													
	16	14	18	16	15	19	18	14	18	16	19	14	25
Total liabilities and net worth	1,434	1, 479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2, 185	2,251	2,251	2,465

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payathes, and retained income.

<sup>2</sup> This item included in # 11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

<sup>3</sup> Consists mainly of long-term debentures and notes.

r Revised figures.

TABLE 2. Mortgage Loan Companies

<u></u>		1				, 210011				1				1
			1	961			19	962			19	63		1964
		1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
						·———	milli	ions of c	dollars	1		4		
	Assets													
1.	. Cash on hand and on deposit:													
	(a) In Canadian dollars:													
	(i) Cash and bank deposits	12	10	12	14	16	17	17	23	18	19	19	20	19
	(ii) Cash in other institutions	1	1	1	4	4	1	4	5	6	5	3	3	6
	(b) İn foreign currency			1										
3.	. Investments:													
	(a) Investments in Canadian securities:													
	(i) Government of Canada treasury bills	1	1	3	6	3		3	2	5	7	3	4	3
	(ii) Other Government of Canada debt	83 26	84	84	90	96	95	89	91	102	118	120	103	99
	(iii) Provincial government debt	7	6	25	29	32	32	31	31	31	33	34	35	37
	(v) Short-term notes of finance and other com-													
	panies	7	10	9	4	9	5	8	4	22	12	4	4	6
	(vi) Corporation and institution bonds(vii) Mortgage loans and sales agreements	735	760	14 795	14 836	14 858	15 898	946	989	1,017	16	1, 122	18	1, 230
t	(viii) Collateral loans	12	14	13	10	11	13	22	18	1,017	1,000	1, 122	1, 100	1, 230
	(b) Investments in Canadian preferred and common stocks	33	33	32	33	34	36	37	38	41	42	46	50	51
	(c) Investments in foreign securities	3	3	3	3	3	6	6	6	6	4	4	4	20
	(d) Investments in subsidiary and associated com-	Ū												
	panies	21	21	21	34	33	33	34	36	39	41	41	43	42
4.	. Real estate and equipment	17	17	19	19	25	26	26	28	31	32	36	38	39
5.	Other assets	7	7	7	5	8	8	7	7	10	8	8	8	12
	Total assets <sup>1</sup>	975	1,007	1,043	1,110	1, 155	1, 194	1,253	1,300	1,364	1,423	1,483	1,514	1,604
	Liabilities													
11.	Deposits and demand certificates (a) Chequable (b) Non-chequable <sup>2</sup>	144	148	160	178	196	208	203	205	217	238	256	258	142 134
	(b) Non-chequable													201
12.	Deposit receipts and debentures	607	627	648	668	675	690	734	763	787	811	821	844	865
13.	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	2	2	2	4	6	7	12	14	15	15	17	12	19
ļ	(b) Other loans and notes payable			1		3	4	4	4	3	3	5	6	9
15.	Other liabilities <sup>3</sup>	73	81	81	95	103	110	120	136	153	163	183	194	209
l	Net worth													
20	Concret investment and available	60	60	60	74	73	74	75	78	79	84	85	87	90
	General, investment and special reserves	62	62	62										
,21.	Paid-in capital	48	48	48	52	54	55	56	57	61	61	68	70	84
30.	. Net accruals, payables and retained income <sup>1</sup>	40	39	41	38	45	45	49	44	49	48	47	45	53
	Total liabilities and net worth <sup>1</sup>	975	1,007	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1,423	1,483	1,514	1,604

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, ividends and other payables, and retained income.

² This item included in #11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

³ Consists mainly of long-term debentures and notes.

TABLE 3. Sales Finance and Consumer Loan Companies

		19	51			19	62			19	63		1964
	1 Q	2Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q
		1	l		1	millio	ons of de	ollars					
Assets								1	1				
1. Cash on hand and on deposit:  (a) In Canadian dollars:							200	00	10	0.7	26	21	0.0
(i) Cash and bank deposits	25	21	18	27	15 1	22	26	28	19	27	20	31	38
(ii) Cash in other institutions (b) In foreign currency	1	1	1	1	1		1	1	4	2	2	2	2
2. Accounts and notes receivable*	2,038	2,071	1,992	2,037	2, 105	2, 225	2, 205	2,365	2,449	2,582	2,553	2,732	2, 884
3. Other current assets	3	2	2	3	3	4	4	4	4	4	4	5	5
1 Investments and advances:													
(a) Investments in Canadian securities: (i) Short-term notes of finance and other			_		_	4.77	10	10	10	17		8	
companies	5 20	9	17	5	5	17	13 19	16 17	10 20	17	13	5	8
(ii) Government of Canada treasury bills(iii) Other Government of Canada debt	47	43	36	30 18	29 24	16 17	35 13	42	34 26	29 25	69	18 43	13 53
(iv) Other Canadian bonds and debentures	29	18	23	4	5	5	8	6	8	9	12	13	18
(b) Investments in Canadian preferred and com-	4	4	4	4	4	5	5	10	13	11	12	13	13
mon stocks(c) Investments in foreign securities	4	5	11	19	14	28	4	1				2	
(d) Investments in subsidiary and associated com-	120	131	146	160	161	172	197	195	212	226	220	251	264
panies	13	13	14	14	15	16	16	16	17	17	17	17	23
6. Other assets	14	15	13	13	15	15	16	18	19	18	18	21	22
Total assets	2,325	2,350	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352
Liabilities							i						
11. Owing parent and associated companies	361	368	396	415	427	434	417	464	461	478	460	485	485
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	209	214	166	195	166	233	198	212	189	194	187	254	232
(b) Demand and short-term notes payable (Canadian dollars)	565	564	489	465	512	540	570	582	703	723	704	731	871
(c) Demand and short-term notes payable (foreign	37	35	28	26	26	39	38	88	66	83	84	113	160
(d) Other short-term loans payable	1	1	1	2	20	2	2	2	2	2	2	2	2
13. Accounts payable:							10			00	0.4	00	24
(a) Income and other taxes payable(b) Other payables	21 19	17 23	19 24	20 22	21 27	19 34	19 30	30	20 36	20 44	24 35	22 39	24 46
14. Other current liabilities:													
(a) Dealers' credit balances (b) Other current liabilities		46	47	46	42	45	46	43	42	45	46	43	43
15. Long-term debt:				_					1				
(a) Debentures, bonds and notes (Canadian dollars)	634	636	660	687	700	712	723	758	776	823	834	864	626 248
(b) Debentures, bonds and notes (foreign currency) <sup>1</sup> (c) Mortgages and other long-term debt	2	2	3	2	2	4	2	2	2	3	3	4	240
16. Other liabilities:			1										
(a) Unearned income and other deferred credits	134	139	139	137	139	150	157	159	158	173	178	182	182
(b) Pensions, trust or earmarked funds			1	1		1	1		1	1	1	1	1
	1	1	1	1	1	1	1	1	1	1	1	1	,
Net worth													
20. Paid-in capital		180	187	192	199	206	208	223	227	238	239	252	252
21. Retained income  Total liabilities and net worth	120	121	128	127	133	139	145	140	148	151	160	164	171
	2,323	2,330	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2,961	3,162	3,352
*Footnote:													
(a) Specified receivables: <sup>3</sup> Instalment finance companies:													
Consumer goods	784	797	794	756	739	782	798	801	799	865	877	873°	
Wholesale goods		404 223	405 128	395 184	390 230	423	143	440 240	438 303	469 274	483 166	478° 292°	485
Totals	1,423	1,424	1,327	1,335	1,359	1,442	1,386	1,481	1,540	1,608	1,526	1,643°	1,759
Consumer loan companies:									, , , , ,				
Instalment credit Cash loans	44	42	38	35	37	42	49	52	51	52	55	55	46
Totals	506	526	534	559	576	604	631	662	674	709	728	753	750
(b) Other receivables <sup>3</sup>	550 96	568 112	572 128	594	613	646	680	714	725	761	783	808	<b>79</b> 6
Total receivables		2, 104	2,027	142 2,071	168	2 262	176	208	223	252	288	324	2,920
Allowance for bad debts	- 31	- 33	- 35	- 34	2,140 - 35	2,262	2,242	2,403	2,488	2,621	2,597	2,775	- 45
Total receivables (net)	2,038	2,071	1,992	2,037	2,105	2,225	2,205	- 38 2,365	- 39	- 39	9 553	- 43 2,732	2,884
	1					-, ~~	2,200	2,303	2,449	2,582	2,553	2, 132	2,001

This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.

Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-104).

"Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sampling errors.

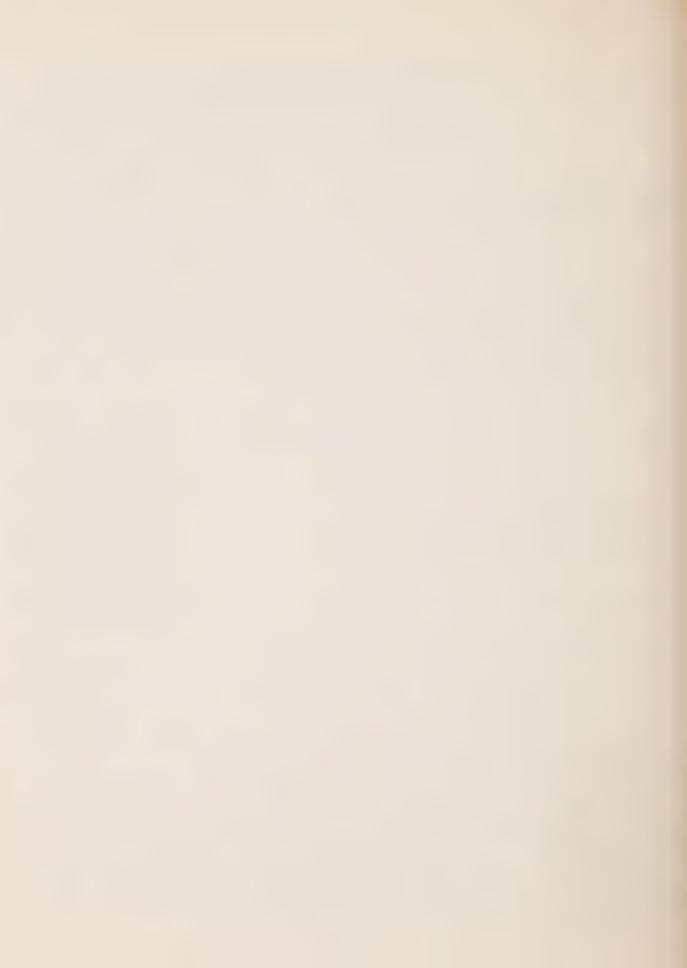
Revised figures.

#### TABLE 4. Consumer Loan Companies<sup>1</sup>

Quarterly Statements of Estimated Assets, Liabilities and Net Worth													
1		1962				1963				1964			
	1Q	2Q	3Q	4ର୍	10	2Q	3Q	40	1Q	2Q	3Q	4Q	12
Assets	millions of dollars												
Cash on hand and deposit:													
(a) In Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions	6	4	6	6	4	6	7	5	5	5	8	7	8
'(b) In foreign currency													
Accounts and notes receivable	508	525	529	541	550	575	591	610	617	644	654	673	678
Other current assets				1	1	1	1	1	1	1	1	1	1
Investments and advances:													
(a) Investments in Canadian securities:  (i) Short-term notes of finance and other companies  (ii) Government of Canada treasury bills  (iii) Other Government of Canada debt  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments	5	9	7	4	4	13	10	14	9	15	4	4	5
(b) Investments in Canadian preferred and common stocks													
(c) Investments in foreign securities													
Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
Other assets	1	1	1	1	1	1	1	1	1	1	1	1	1
Total assets	525	544	547	557	565	600	614	636	638	670	673	691	697
Liabilities													
Owing parent and associated companies	331	340	355	367	370	376	385	405	401	417	400	411	405
	201	240	333	301	310	310	300	405	401	411	406	411	407
Short-term loans and notes payable: (a) Bank loans and overdrafts	55	64	49	49	42	51	50	52	52	52	58	67	68
(b) Demand and short-term notes payable (Canadian dollars)	39	45	42	39	41	50	49	58	56	62	61	69	69
(c) Demand and short-term notes payable (foreign currency) (d) Other short-term loans payable		1	1		1		1	1	1				
Accounts payable: (a) Income and other taxes payable	9	7	8	8	10	8	10	9	10	9	11	8	10
(b) Other payables	3	4	3	3	4	7	7	4	4	9	9	6	4
Other current liabilities:													
(a) Dealers' credit balances	1	2	1	1	1	1	1	1	1	1	1	1	1
(b) Other current liabilities													
Long-term debt: (a) Debentures, bonds and notes (Canadian dollars)	7	6	6	7	8	7	8	8	9	11	11	11	7
(b) Debentures, bonds and notes (foreign currency) <sup>2</sup>													3
-(c) Mortgages and other long-term debt													
Other liabilities:							0.0	0.4	0.4	00		00	0.4
(a) Unearned income and other deferred credits	18	19	19	19	21	23	23	24	24	26	27	30	31
(c) Interest of minority shareholders													
Net worth													
Paid-in capital	41	41	44	44	45	50	50	52	52	53	53	56	56
Retained income	18	16	20	18	23	25	31	22	27	30	36	33	41
Total liabilities and net worth	525	544	547	557	565	600	614	636	638	670	673	691	697

<sup>&</sup>lt;sup>1</sup> Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these comies.

<sup>2</sup> This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
SECOND OUARTER 1964

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DOMINION BUREAU OF STATISTICS

Business Finance Division

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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

## Selected Financial Institutions SECOND QUARTER, 1964

#### INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

#### CONTENT OF GROUPS

#### **Trust Companies**

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

#### Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

#### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

#### DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

#### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

#### Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12 – Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 20 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

#### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

#### B. Sales Finance and Consumer Loan Companies

#### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

### Item 11 – Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

#### Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

## Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

## Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

## QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is The Financing of Economic Activity in Canada, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

TABLE 1. Trust Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961				19	062			1	963		1	964
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
		1		J		mill	ions of	dollars					
Assets										1			
1. Cash on hand and on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits	31	33	47	30	34	26	46	61	62	44	57	34	43
(ii) Cash in other institutions	2	2	3	2	2	1	1	1	3	2	2	3	1
(b) In foreign currency	7	11	4	16	22	8	7	8	8	4	8	4	9
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	8	10	9	10	7	10	18	9	4	16	22	15	7
(ii) Other Government of Canada debt	264	267	277	304	288	290	281	289	311	288	295	336	324
(iii) Provincial government debt	119	127	131	135	136	131	136	144	159	161	152	161	160
(iv) Municipal government debt	73	78	82	85	86	87	94	103	107	113	112	124	127
(v) Short-term notes of finance and other com-	161	169	112	185	145	159	122	190	215	213	107	231	261
(vi) Corporation and institution bonds	114	118	127	126	137	132	140	147	157	167	170	184	183
(vii) Mortgage loans and sales agreements	535	588	630	680	744	810	845	905	966	1,036	1,088	1,148	1,238
(viii) Collateral loans	72	74	63	66	68	70	83	74	69	80	110	83	94
(b) Investments in Canadian preferred and common stocks	48	50	53	54	57	60	63	73	65	65	64	67	69
(c) Investments in foreign securities	6	6	6	6	6	6	6	6	3	3	3	8	3
(d) Investments in subsidiary and associated companies	6	6	7	7	7	8	9	8	9	10	9	10	11
4. Real estate and equipment	23	24	26	28	28	28	31	33	32	33	36	42	43
5. Other assets	11	10	12	10	12	13	13	13	15	14	15	16	17
Total assets <sup>1</sup>	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2, 185	2, 251	2, 251	2,465	2,590
Liabilities						The state of the s							
11. Deposits and demand certificates (a) Chequable (b) Non-chequable <sup>2</sup>	453	488	512	579	612	588	610	656	718	791	796	422 443	443 468
12. Deposit receipts and guaranteed investment certificates	842	895	896	968	974	1,040	1,094	1,179	1,232	1,239	1,238	1,354	1,413
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts													
1. Other loans and notes payable	10	12	9	9	10	10	2	3	3	3	2	2	3
	18	18	6	19	9	27	7	36	42	24	17	25	37
15. Other liabilities	4	3	3	4	3	3	2	3	2	2	2	7	6
Net worth													
20. General, investment and special reserves	80	80	88	0.0	00	00	400						100
21. Paid-in capital				90	93	93	102	105	107	107	105	116	120
30. Net accruals, payables and retained income <sup>1</sup>	58 14	59 18	60	58	60	60	62	64	65	65	75	72	78
Total liabilities and net worth				15	19	18	14	18	16	19	14	25	21
1 Total agents and liet worth	1,479	1,573	1,590	1,743	1,779	1,839	1,894	2,064	2, 185	2, 251	2,251	2, 465	2,590

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

<sup>2</sup> This item included in # 11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

TABLE 2. Mortgage Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

,		00 110		7		.es anu i	Met MOIE	11					
	1961				19	962			1	963		1	964
	2Q	3Q	40	10	2Q	3Q	4Q	1Q	2Q	30	4Q	10	2Q
		1		1	1	millio	ons of d	ollars	1		,		
Assets													
Cash on hand and on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits	10	10		1.0									
(ii) Cash in other institutions	10	12	14	16	17	17	23	18	19	19	20	19	20
(b) In foreign currency		1	1	1		*		0		,		0	11
Investments:													
(a) Investments in Canadian securities;													
(i) Government of Canada treasury bills	1	3	6	3		3	2	5	7	3	4	3	13
(ii) Other Government of Canada debt	84	84	90	96	95	89	91	102	118	120	103	99	101
(iii) Provincial government debt	26	25	29	32	32	31	31	31	33	34	35	37	42
(iv) Municipal government debt	6	6	8	9	9	8	8	8	8	8	8	8	9
(v) Short-term notes of finance and other com- panies	10	9	4	9	5	8	4	22	12	4	4	6	5
(vi) Corporation and institution bonds	12	14	14	14	15	14	14	14	16	17	18	20	21
(vii) Mortgage loans and sales agreements	760	795	836	858	898	946	989	1,017	1,066	1, 122	1, 165	1, 235	1,304
(viii) Collateral loans	14	13	10	11	13	22	18	15	12	17	12	12	10
stocks	33	32	33	34	36	37	38	41	42	46	50	51	53
(c) Investments in foreign securities	3	3	3	3	6	6	6	6	4	4	4	15 <sup>r</sup>	7
(d) Investments in subsidiary and associated companies	21	21	34	33	33	34	36	39	41	41	43	42	43
Real estate and equipment	17	19	19	25	26	26	28	31	32	36	38	39	40
Other assets	7	7	5	8	8	7	7	10	8	8	8	12	12
Totals assets <sup>1</sup>	1,007	1,043	1, 110	1, 155	1, 194	1, 253	1, 300	1,364	1, 423	1,483	1,514	1,604	1,691
Liabilities													
Deposits and demand certificates (a) Chequable (b) Non-chequable <sup>2</sup>	148	160	178	196	208	203	205	217	238	256	258	142 134	147 146
Deposit receipts and debentures	627	648	668	675	690	734	763	787	811	821	844	865	907
Short-term loans and notes payable:													
(a) Bank loans and overdrafts	2	2	4	6	7	12	14	15	15	17	12	19	32
(b) Other loans and notes payable		1		3	4	4	4	3	3	5	6	9	13
Other Habilities <sup>3</sup>	81	81	95	103	110	120	136	153	163	183	194	209	218
	01	01	30	100	210	220	100						
Net worth													
General, investment and special reserves	62	62	74	73	74	75	78	79	84	85	87	90	91
Paid-in capital	48	48	52	54	55	56	57	61	61	68	70	84	88
Net accruals, payables and retained income <sup>1</sup>	39	41	38	45	45	49	44	49	48	47	45	53	49
Total liabilities and net worth <sup>1</sup>	1,007	1,043	1,110	1, 155	1, 194	1, 253	1,300	1, 364	1, 423	1,483	1,514	1,604	1,691

¹ Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dends and other payables, and retained income.

¹ This item included in #11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

¹ Consists mainly of long-term debentures and notes.

r Revised figures.

TABLE 3. Sales Finance and Consumer Loan Companies Quarterly Statements of Estimated Assets, Liabilities and Net Worth

(1) Cash and same depositions (2) In restance curriency (3) In fereign securities (4) Security (4) Cash and severable* (2) 1 1, 192 2, 037 2, 105 2, 225 2, 205 2, 255 2, 255 2, 257 2, 2884 3, 2884 2			1961			19	62			196	33		196	34
Assets (a) In Consider definition (b) Tash in other institutions (c) In Service control of the c		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
1. Cash on hand and on encount:							million	s of dol	lars					
1. Cash on hand and on encount:	Assats		1											
(a) Increasing delians: (ii) Cash to note institutions.  1														
Companies and chank expension 1 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2	(a) In Canadian dollars:	21	18	27	15	22	26	28	19	27	26	31		35
(b) In foreign currency 2,071	(ii) Cash in other institutions			1	1		_		1		_	2		1 2
2. Assessmits and notes necestations:  2 2 2 3 3 3 3 4 4 4 4 4 4 4 4 5 5 5 5 1	(b) In foreign currency		- 1		-	2 225			1	-				
3. Other current assets (a) Short-term notes of finance and other (1) Characteric finance characteric finance characteric finance and other (1) Characteric finance characteric finance and other (1) Characteric finance characteri									1					10
(a) Investments in Canadian seartities: (i) Secretare notes of Tinance and other (ii) Covernment of Canada freasury tills		2												
Companies	(a) Investments in Canadian securities:													
(II) Orderment of Canada ressury bills	companies													5 11
(V) Other Canadian bonds and dehentures	(ii) Government of Canada treasury bills			30	29	16	35	42	34	29	6	18	13	27
Chive other change in division in visual management of the part of	(iv) Other Canadian bonds and debentures	18	23		24									58 23
mon atocks Col Investments in foreign securities Col Investments in subsidiary and associated companies Color assets Color ass	(b) Investments in Canadian preferred and com-									11				27
(d) Investments In subsidiary and associated companies	mon stocks							10	13	11	12		10	41
Second Property   plant and equipment   13	(d) Investments in subsidiary and associated com-				161	179	197	195	212	226	220	251	264	214
Cother assets									_ 1					32
Total assets										18	18	21	22	25
Liabilities  11. Owing parent and associated companies							2, 561	2,726	2,834	2,982	2,961	3, 162	3, 352	3, 564
11. Curing parent and associated companies   388   396   415   427   434   417   464   461   478   460   485   485   445   446   (a) Bank loans and overdrafts   (a) Bank loans and overdrafts   (b) Demand and short-term notes payable (Ganadian Gollars)   648   489   465   512   540   570   582   703   723   704   731   871   70														
12. Short-term loans and notes (nayable)   214   166   195   166   233   198   212   189   194   187   254   232   248		000	200	415	407	424	417	161	461	478	460	485	485	440
(a) Bank loans and overdrafts (b) Demand and short-term motes payable (Canadian dollars) (c) Demand and short-term motes payable (foreign dollars) (d) Other short-term motes payable (foreign dollars) (e) Demand and short-term motes payable (foreign dollars) (e) Demand and short-term motes payable (foreign dollars) (e) Demand and short-term motes payable (foreign dollars) (e) Demand of the taxes payable (foreign dollars) (e) Demand of taxes foreign dollars) (e) Demand of taxes foreign dollars) (e) Demand of taxes foreign dollars) (e) Demand of the foreign dollars) (e) Demand	11. Owing parent and associated companies													
Column   Society   Column   Society   Societ	(a) Bank loans and overdrafts	214	166	195	166	233	198	212	189	194	187			
Currency   355   28   26   26   39   38   88   86   81   84   113   102   12   12   12   12   12   12   1	dollars)	564	489	465	512	540	570	582	703	723	704	731	871	1,015
13. Accounts payable: (a) Income and other taxes payable (b) Other payables.  23	currency)									83				184
(a) Income and other taxes payable 17 19 20 24 22 27 34 30 30 36 44 35 39 46 50 14 10 14 10 10 10 14 10 10 10 10 10 10 10 10 10 10 10 10 10		1	1	2	2	2	2	2	2	2	2	4	4	0
(a) Other payables	(a) Income and other taxes payable													23
(a) Dealers' credit balances	(b) Other payables	23	24	22	27	34	30	30	36	44	30	39	40	0.7
15. Long-term debt: (a) Debentures, bonds and notes (Canadian dollars) (b) Debentures, bonds and notes (foreign currency) <sup>1</sup> (c) Mortgages and other long-term debt  (a) Debentures, bonds and notes (foreign currency) <sup>2</sup> (c) Mortgages and other long-term debt  (a) Unearned income and other deferred  (b) Pensions, trust or earmarked funds  (c) Interest of minority shareholders  (b) Pensions, trust or earmarked funds  (c) Interest of minority shareholders  (a) Paid-in capital  (b) Pensions, trust or earmarked funds  (c) Interest of minority shareholders  (d) Pensions, trust or earmarked funds  (e) Interest of minority shareholders  (f) Interest of minority shareholders  (g) Pensions, trust or earmarked funds  (g) Pensions, trust or earmarked funds  (h) Pension	(a) Dealers' credit balances													47 6
(a) Debentures, bonds and notes (Canadan dollars) (b) Debentures, bonds and notes (foreign currency) (c) Mortgages and other long-term debt 2 3 2 2 4 2 2 2 2 3 3 3 4 2 2 2 4 2 2 2 2		3	3	2	3	3	4	4	4	4	5	5	D	
(c) Mortgages and other long-term debt 2 3 3 2 2 4 2 2 2 2 3 3 3 4 2 2 6 6 6 6 2 2 3 2 2 3 3 3 4 4 2 2 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	(a) Debentures, bonds and notes (Canadian dollars)	636	660	687	700	712	723	758	776	823	834	864		640
16. Other liabilities: (a) Unearned income and other deferred credits (b) Pensions, trust or earmarked funds 1		2	3	2	2	4	2	2	2	3	3	4		259
Credits	16. Other liabilities:	_			_			_	_					
(b) Pensions, trust or earmarked funds (c) Interest of minority shareholders 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(11)	139	139	137	139	150	157	159	158	173	178	182	182	200
Net worth  20. Paid-in capital	(b) Pensions, trust or earmarked funds		1	1		1	1		1	1	1	1	1	1
20. Paid-in capital	(c) Interest of minority snareholders	1	1	1	1	1	1	1	1	1	1	1	1	^
21. Retained income	Net worth													
Total liabilities and net worth 2,350 2,290 2,340 2,401 2,560 2,561 2,726 2,834 2,982 2,961 3,162 3,352 3,566   *Footnote:  (a) Specified receivables:2 Instalment finance companies:  Consumer goods 797 794 756 739 782 798 801 799 865 877 873 869 94.  Commercial and industrial goods 404 405 395 390 423 445 440 438 469 483 478 485 52 800 800 800 800 800 800 800 800 800 80	20. Paid-in capital	180	187	192	199	206	208	223	227	238	239	252	252	265
*Footnote: (a) Specified receivables:² Instalment finance companies: Consumer goods  Totals  Consumer loan companies: Instalment credit  42 38 35 37 42 49 52 55 55 55 46 47 631 662 674 709 728 739 782 798 801 799 865 877 873 869 94. 885 478 485 52 405 390 423 445 440 438 469 483 478 485 52 405 39 390 423 445 440 438 469 483 478 485 52 405 39 406 292 405 39 406 39 407 408 408 408 408 408 408 408 408 408 408			1											175
(a) Specified receivables: <sup>2</sup> Instalment finance companies:  Consumer goods Commercial and Industrial goods 404 405 395 390 423 445 440 438 469 483 478 485 52 Wholesale goods 223 128 184 230 237 143 240 303 274 166 292 405 39  Totals 1,424 1,327 1,335 1,359 1,442 1,386 1,481 1,540 1,608 1,526 1,643 1,759 1,861  Consumer loan companies: Instalment credit 42 38 35 37 42 49 52 51 52 55 55 55 46 44  Cash loans 526 534 559 576 604 631 662 674 709 728 753 755 781  Totals 568 572 594 613 646 680 714 725 761 783 808 796 800  (b) Other receivables 112 128 142 168 174 176 208 223 252 288 324 374 43  Total receivables 2,104 2,027 2,071 2,140 2,262 2,242 2,403 2,488 2,621 2,597 2,775 2,929 3,144  Allowance for bad debts 738 749 749 756 757 759 759 759 759 759 759 759 759 759		2, 350	2, 290	2, 340	2,401	2, 560	2,561	2,726	2,834	2,982	2, 961	3, 162	3, 352	3, 304
Instalment finance companies:														
Commercial and industrial goods	Instalment finance companies:													
Wholesale goods         223         128         184         230         237         143         240         303         274         166         292         405         39           Totals         1,424         1,327         1,335         1,359         1,442         1,386         1,481         1,540         1,608         1,526         1,643         1,759         1,86           Consumer loan companies:         Instalment credit         42         38         35         37         42         49         52         51         52         55         55         46         44           Cash loans         526         534         559         576         604         631         662         674         709         728         753         750         78           Totals         568         572         594         613         646         680         714         725         761         783         808         796         83           (b) Other receivables³         112         128         142         168         174         176         208         223         252         288         324         374         43           Total receiva	Commercial and industrial goods													942 529
Consumer loan companies:  Instalment credit  42 38 35 37 42 49 52 51 52 55 55 46 46 Cash loans  Cash loans  526 534 559 576 604 631 662 674 709 728 753 750 78  Totals  568 572 594 613 646 680 714 725 761 783 808 796 834  (b) Other receivables  112 128 142 168 174 176 208 223 252 288 324 374 43  Total receivables  2,104 2,027 2,071 2,140 2,262 2,242 2,403 2,488 2,621 2,597 2,775 2,929 3,14  Allowance for bad debts  - 33 - 35 - 34 - 35 - 37 - 37 - 38 - 39 - 39 - 44 - 43 - 45 - 44	Wholesale goods													397
Instalment credit	Totals	1, 424	1,327	1, 335	1,359	1, 442	1,386	1,481	1,540	1,608	1,526	1,643	1,759	1,868
Cash loans 526 534 559 576 604 631 662 674 709 728 753 750 788  Totals 568 572 594 613 646 680 714 725 761 783 808 796 833  (b) Other receivables 112 128 142 168 174 176 208 223 252 288 324 374 433  Total receivables 2,104 2,027 2,071 2,140 2,262 2,242 2,403 2,488 2,621 2,597 2,775 2,929 3,144  Allowance for bad debts 73 73 73 73 73 73 73 73 73 73 73 73 74 74 74	Consumer loan companies:													40
Totals	Cash loans													786
Total receivables 2,104 2,027 2,071 2,140 2,262 2,242 2,403 2,488 2,621 2,597 2,775 2,929 3,14 Allowance for bad debts 3 - 35 - 34 - 35 - 37 - 37 - 38 - 39 - 39 - 44 - 43 - 45 - 4		568	572	594									796	805
Allowance for bad debts		112	128	142	168	174	176	208	223	252	288	324	374	438
77-4-1		2, 104	2,027	2,071	2, 140	2, 262	2,242	2,403	2,488	2,621	2, 597	2,775	2, 929	3, 141
2, 071   1, 992   2, 037   2, 105   2, 225   2, 205   2, 365   2, 449   2, 582   2, 553   2, 732   2, 884   3, 094			1				- 37	- 38	- 39	- 39	- 44	1		- 47
	Total receivables (net)	2,071	1,992	2,037	2, 105	2, 225	2,205	2, 365	2,449	2,582	2, 553	2,732	2,884	3,094

<sup>&</sup>lt;sup>1</sup> This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.

<sup>2</sup> Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

<sup>3</sup> "Other Receivables" includes inventory financing, capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities, and sampling errors.

## TABLE 4. Consumer Loan Companies<sup>1</sup>

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

1961   1962   1963   1964		1				cs and	1466 440	1011						
Assets   A			1961			19	062			19	63		19	64
Assets (2ah on hand and deposits (3ah on hand and deposits (3ah on hand and deposits (4a) in Canadian dollars: (3b) Cash and hand deposits (3b		2Q	3Q	4Q	10					2Q	30	4Q	1Q	20
Cash on hand and depoesit: (a) To Canadian dollars: (b) In foreign currency (c) Cash and hand deposits (c) Cash and hand deposits (d) Cash and hand deposits (d) Cash and hand deposits (d) In foreign currency  Accounts and notes receivable  525 529 541 550 575 591 610 617 644 654 678 678 711 711 71 71 71 71 72 73 74 75 75 75 75 75 75 75 75 75 75 75 75 75							million	s of do	llars					
Canadian dollars:   Canadian recitations   Canadian deposits   Canadian deposits   Canadian deposits   Canadian deposits   Canadian securities   Canadia	Assets													
(i) Cash and bank deposits	. Cash on hand and deposit:													
(ii) Cash in other institutions (b) In foreign currency  Accounts and notes receivable  525 529 541 550 575 591 610 617 644 654 673 673 711  Other current assets  1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(a) In Canadian dollars:													
Accounts and notes receivable		4	6	6	4	6	7	5	5	5	8	7	8	7
Other current assets	(b) In foreign currency													
Other current assets	Accounts and notes receivable	525	520	541	550	575	501	610	017	CAA	CEA	070	CFO	77.1.1
Investments and advances:		020	020		330	313	331	010	011	044	054	013	610	111
(a) Investments in Canadian securities: (b) Short-term notes of finance and other companies (c) Short-term notes of finance and other companies (d) Government of Canadian treasury bills (d) Other Canadian investments (v) Other Canadian other investments (v) Other Can	, Other current assets			1	1	1	1	1	1	1	1	1	1	1
(i) Short-term notes of finance and other companies 9 7 4 4 13 10 14 9 15 4 4 5 4 5 4 (ii) Government of Canadian treasury bills (iii) Covernment of Canadian preferred and common stocks (iii) Investments in Standard and equipment 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	. Investments and advances:													
(ii) Government of Canada treasury bills (iii) Other Overnment of Canada debt. (iii) Other Canadian bronds and debtentures (iii) Other Canadian of Canad	(a) Investments in Canadian securities:													
(iv) Other Canadian bonds and debentures (b) Investments in Canadian preferred and common stocks (c) Investments in foreign securities (d) Investments in subsidiary and associated companies (d) Investments (d) Investments in subsidiary and associated companies (d) Investments	(ii) Government of Canada treasury bills	9	7	4	4	13	10	14	9	15	4	4	5	4
(i) Other Canadian investments (c) investments in Canadian preferred and common stocks (Canadian dollars) (d) investments in Canadian preferred and common stocks (Canadian dollars) (e) Demand and short-term toots payable (Canadian dollars) (e) Demand and common toots (Canadian dollars) (e) Demand and common toots (Canadian dollars) (e) Demand (e	(iii) Other Government of Canada debt	ł												
(c) Investments in foreign securities (d) Investments in subsidiary and associated companies (d) Investments in subsidiary and associated companies (d) Investments in subsidiary and associated companies (a) 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5														
Comparison   Com														
Property, plant and equipment														
Other assets	(d) Investments in subsidiary and associated companies													
Total assets	. Property, plant and equipment	5	5	5	5	5	. 5	5	5	5	5	5	5	5
Total assets	Other assets	1	1	1	1	1	1	1	1	1	1	1	1	2
Liabilities  Owing parent and associated companies 340 355 367 370 376 385 405 401 417 406 411 407 367  Short-term loans and notes payable:  (a) Bank loans and overdrafts 64 49 49 42 51 50 52 52 52 52 58 67 68 62 (b) Demand and short-term notes payable (Canadian dollars) 45 42 39 41 50 49 58 56 62 61 69 69 125 (c) Demand and short-term notes payable (foreign currency) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1														
. Owing parent and associated companies 340 355 367 370 376 385 405 401 417 406 411 407 367 . Short-term loans and notes payable:  (a) Bank loans and ontergrafts 64 49 49 42 51 50 52 52 52 58 67 68 62 (b) Demand and short-term notes payable (Canadian dollars) 45 42 39 41 50 49 58 56 62 61 69 69 125 (c) Demand and short-term notes payable (foreign currency) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Total assets	544	547	557	565	600	614	636	638	670	673	691	697	730
. Owing parent and associated companies 340 355 367 370 376 385 405 401 417 406 411 407 367 . Short-term loans and notes payable:  (a) Bank loans and ontergrafts 64 49 49 42 51 50 52 52 52 58 67 68 62 (b) Demand and short-term notes payable (Canadian dollars) 45 42 39 41 50 49 58 56 62 61 69 69 125 (c) Demand and short-term notes payable (foreign currency) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Liabilities													
Short-term loans and notes payable:	Пашиея													
(a) Bank loans and overdrafts	. Owing parent and associated companies	340	355	367	370	376	385	405	401	417	406	411	407	367
(b) Demand and short-term notes payable (Canadian dollars) 45 42 39 41 50 49 55 56 62 61 69 69 125 (c) Demand and short-term notes payable (foreign currency) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	. Short-term loans and notes payable:													
(c) Demand and short-term notes payable (foreign currency)	(a) Bank loans and overdrafts	64	49	49	42	51	50	52	52	52	58	67	68	62
(d) Other short-term loans payable	(b) Demand and short-term notes payable (Canadian dollars)	45	42	39	41	50	49	58	56	62	61	69	69	125
Accounts payable: (a) Income and other taxes payable		1	1		1		1	1	1					
(a) Income and other taxes payable	(d) Other short-term loans payable													
(b) Other payables	. Accounts payable:													
Other current liabilities: (a) Dealers' credit balances	(a) Income and other taxes payable					8					11		10	_
(a) Dealers' credit balances	(b) Other payables	4	3	3	4	7	7	4	4	9	9	6	4	12
(b) Other current liabilities	. Other current liabilities:													
Long-term debt: (a) Debentures, bonds and notes (Canadian dollars) (b) Debentures, bonds and notes (foreign currency) <sup>2</sup> (c) Mortgages and other long-term debt  Other liabilities: (a) Unearned income and other deferred credits (b) Pensions, trust or earmarked funds (c) Interest of minority shareholders  Net worth  Paid-in capital  Net worth  16 20 18 23 25 31 22 27 30 36 33 41 43	(a) Dealers' credit balances	2	1	1	1	1	1	1	1	1	1	1	1	1
(a) Debentures, bonds and notes (Canadian dollars) 6 6 7 8 7 8 8 8 9 11 11 11 7 17 (b) Debentures, bonds and notes (foreign currency) 3 3 3 (c) Mortgages and other long-term debt 5 19 19 19 21 23 23 24 24 26 27 30 31 35 (b) Pensions, trust or earmarked funds (c) Interest of minority shareholders 7 8 8 8 9 11 11 11 11 7 17 17 17 17 18 18 8 8 9 11 11 11 11 11 7 17 17 17 17 17 17 17 1	(b) Other current liabilities													
(a) Debentures, bonds and notes (Canadian dollars) 6 6 7 8 7 8 8 8 9 11 11 11 7 17 (b) Debentures, bonds and notes (foreign currency) 3 3 3 (c) Mortgages and other long-term debt 5 19 19 19 21 23 23 24 24 26 27 30 31 35 (b) Pensions, trust or earmarked funds (c) Interest of minority shareholders 7 8 8 8 9 11 11 11 11 7 17 17 17 17 18 18 8 8 9 11 11 11 11 11 7 17 17 17 17 17 17 17 1	. Long-term debt:													
(c) Mortgages and other long-term debt		6	6	7	8	7	8	8	9	11	11	11	7	17
Other liabilities: (a) Unearned income and other deferred credits 19 19 19 21 23 23 24 24 26 27 30 31 35 (b) Pensions, trust or earmarked funds (c) Interest of minority shareholders Net worth  Paid-in capital 41 44 45 50 50 50 52 52 53 53 56 56 55  Retained income 16 20 18 23 25 31 22 27 30 36 33 41 43	(b) Debentures, bonds and notes (foreign currency)2												3	3
(a) Unearned income and other deferred credits	(c) Mortgages and other long-term debt													
(a) Unearned income and other deferred credits	. Other liabilities:													
(c) Interest of minority shareholders		19	19	19	21	23	23	24	24	26	27	30	31	35
Net worth  Paid-in capital	(b) Pensions, trust or earmarked funds													
. Paid-in capital     41     44     44     45     50     50     52     52     53     56     56     55       . Retained income     16     20     18     23     25     31     22     27     30     36     33     41     43	(c) Interest of minority shareholders													
. Paid-in capital     41     44     44     45     50     50     52     52     53     56     56     55       . Retained income     16     20     18     23     25     31     22     27     30     36     33     41     43	Not worth													
. Retained income 16 20 18 23 25 31 22 27 30 36 33 41 43														
A A SECRETE OF THE COLUMN AND A SECRET RIA AND A SECRET A	. Paid-in capital	41	44	44	45	50	50	52	52	53	53	56	56	55
	. Retained income	16	20	18	23	25	31	22	27	30	3€	33	41	43
Total Habilities and net worth		544	547	557	565	600	614	63.6	638	670	673	691	697	730
	Total Hauthties and net worth	311				L								

<sup>&</sup>lt;sup>1</sup> Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these comples.

<sup>2</sup> This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
THIRD QUARTER 1964

Published by Authority of
The Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS

Contrada

Business Finance Division

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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

## Selected Financial Institutions THIRD QUARTER 1964

## INTRODUCTION

This is a quarterly publication covering selected financial statistics. This issue contains quarterly balance sheet information for trust companies, mortgage loan companies, sales finance and consumer loan companies. Similar data for other groups of financial institutions and the whole area of non-financial corporations will be added in succeeding issues of this quarterly series as they become available.

The quarterly survey of corporation balance sheets was started in 1961 on the recommendation of an Interdepartmental Committee on Financial Statistics representing several government departments and the Bank of Canada. This Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. The growing importance and complexity of the financial transactions of corporations have been in evidence for some time. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time.

During the next few years the balance sheet data collected in these surveys will fill a major gap in knowledge about this area. Such information will be of substantial value to business firms as well as to government.

The survey covers, or will cover, on a sample basis, all non-financial corporations operating in Canada and financial institutions for which quarterly data are not now available. Because of many problems related to obtaining complete lists of the names of corporations, the industrial grouping of these corporations and the inflation of the totals for sample companies into estimates for all corporations, it will be some time before complete results from the survey can be published. In the interim, as stated previously, results for individual industries will be released as the analysis of each is completed.

This publication has been prepared by the Business Finance Division and the Central Research and Development Staff. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

## CONTENT OF GROUPS

## **Trust Companies**

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial Acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate trust and agency funds and other financial activities permitted under the Federal and Provincial Trust Company Acts.

The balance sheet data shown for these companies includes both company funds (shareholders equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

## Mortgage Loan Companies

This group consists of those companies which raise funds from the public primarily for mortgage

lending. It includes all companies incorporated under the Dominion Loan Companies Act, Savings Certificate Companies and other institutional lenders which fit the above definition. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

## Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail levels. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies the main table in this report includes both sales finance and consumer loan companies. However, table 4 presents the totals for consumer loan companies not included in consolidated returns of sales finance companies. The companies in this table have about 90 per cent of the receivables of all consumer finance companies.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies and companies lending to home owners for home improvements. Insofar as possible the companies in this group in the Assets survey are the same as those covered in the DBS publication *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

## A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short term securities such as United States treasury bills.

#### Item 11 - Deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12—Deposit receipts, guaranteed investment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

## Item 20-General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

## Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

## B. Sales Finance and Consumer Loan Companies

## Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 – Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from these parent companies. Since these loans are intercompany transactions they are eliminated when consolidated reports are filed. This item would therefore be somewhat larger if non-consolidated reports were received from all companies.

## Item 12 - Short term loans and notes payable

Demand and short term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either

directly or through investment dealers, to corporations, governments, foreign buyers and persons with short term funds to invest, and are one of the major money-market instruments.

## Item 14(a) - Dealers' credit balance

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds

part of the purchase price. This item represents the total amount so withheld.

## Item 16(a)—Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

## QUALITY OF THE ESTIMATES

Because of the relatively small number of trust companies, mortgage loan companies, sales finance companies and consumer loan companies, and the full cooperation received from them in our survey, coverage in terms of assets is over 90 per cent for each of these groups. The estimates

for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

### OTHER SOURCES OF INFORMATION

In addition to published annual reports for many of the companies, there are the following sources of data.

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)

Dominion Bureau of Statistics Credit Statistics (monthly)

A wealth of information on these companies is also included in briefs filed with the Royal Commission on Banking and Finance by the Trust Companies Association of Canada, the Federated Council of Sales Finance Companies and the Canadian Consumer Loan Association.

A valuable source of background information is *The Financing of Economic Activity in Canada*, a study prepared by Wm. C. Hood for the Royal Commission on Canada's Economic Prospects.

## TABLE 1. Trust Companies Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	196	31		196	2			196	33			1964	
	3Q	4Q	1Q	20	30	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
						millio	ns of d	ollars					
Assets													
1. Cash on hand and on deposit:				·									
(a) In Canadian dollars:													
(i) Cash and bank deposits	33	47	30	34	26	46	61	62	44	57	34	43	39
(ii) Cash in other institutions	2	3	2	2	1	1	1	3	2	2	3	1	1
(b) In foreign currency	11	4	16	22	8	7	8	8	4	8	4	9	6
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	10	9	10	7	10	18	9	4	16	22	15	7	6
(ii) Other Government of Canada debt	267	277	304	288	290	281	289	311	288	295	336	324	340
(iii) Provincial government debt	127	131	135	136	131	136	144	159	161	152	161	160	152
(iv) Municipal government debt	78	82	85	86	87	94	103	107	113	112	124	127	123
(v) Short-term notes of finance and other companies	169	112	185	145	159	122	190	215	213	107	231	261	225
(vi) Corporation and institution bonds	118	127	126	137	132	140	147	157	167	170	184	183	187
(vii) Mortgage loans and sales agreements	588	630	680	744	810	845	905				1,148	1, 238	1, 31
'vin) Collateral loans	74	63	66	68	70	83	74	69	80	110	83	94	6:
(b) Investments in Canadian preferred and common stocks	50	53	54	57	60	63	73	65	65	64	67	69	0.0
(c) Investments in foreign securities	6	6	6	6	6	6	6	3	10	9	10	11	15
(d) Investments in subsidiary and associated companies	6												
4. Real estate and equipment	24	26	28	28	28	31	33	32	33	36	42	43	44
5. Other assets	10	12	10	12	13	13	13	15	14	15	16	17	19
Total assets <sup>1</sup>	1, 573	1, 590	1, 743	1, 779	1, 839	1, 894	2, 064	2, 185	2, 251	2, 251	2, 465	2, 590	2, 62
Liabilities													
11. Demand deposits and demand certificates (a) Chequable	488	512	579	612	588	610	656	718	791	796	422	443	450
(b) Non-chequable <sup>2</sup>											443	468	49
12. Term deposits, quaranteed investment certificates, instalment certificates and debentures	895	896	968	974	1,040	1,094	1, 179	1, 232	1, 239	1, 238	1,354	1, 413	1, 39
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	12	9	9	10	10	2	3	3	3	2	2	3	
(1) Other lans and notes payable	18	6	19	9	27	7	36	42	24	17	25	37	3
13. Dimer Banifities	3	3	4	3	3	2	3	2	2	2	7	6	
Net worth													
_0. General, investment and special reserves	80	88	90	93	93	102	105	107	107	105	116	120	12
21. Paid-in capital	59			60	60							78	8
30. Net accounts, payables and retained income <sup>1</sup>	18					62	64	65	65				2
				19	18	14	18	16	19		25	21	
Total liabilities and net worth	1, 573	1, 590	1, 743	1,779	1,839	1,894	2,064	2, 185	2, 251	2, 251	2, 465	2, 590	2, 62

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

This item included in # 11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.

TABLE 2. Mortgage Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	during outcoments of Estimated Assets, Liabilities and Net Worth													
		19	1961		19	62			19	163			1964	
		30	40	10	2ର	36	4Q	1Q	2Q	30	40	10	2ର୍	3Q
							mill	ions of	dollars	5				
	Assets													
1.	Cash on hand and on deposit:													
	(a) In Canadian dollars:		,											
	(i) Cash and bank deposits	12	14	16	17	17	23	18	19	19	20	19	20	71
	(ii) Cash in other institutions	1	4	4	1	4	5	6	5	3	3	6	11	10
	(b) In foreign currency	1												
3.	Investments:													
	(a) Investments in Canadian securities:													
	(i) Government of Canada treasury bills	3	6	3		3	2	5	7	3	4	3	13	9
	(ii) Other Government of Canada debt	84	90	96	95	89	91	102	118	120	103	99	101	115
	(iii) Provincial government debt	25	29	32	32	31	31	31	33	34	35	37	42	42
	(iv) Municipal government debt	6	8	9	9	8	8	8	8	8	8	8	9	9
	(v) Short-term notes of finance and other companies	9	4	9	5	8	4	22	12	4	4	6	5	10
	(vi) Corporation and institution bonds	14	14	14	15	14	14	14	16	17	18	20	21	23
	(vii) Mortgage loans and sales agreements	795	836	858	898	946	989		1,066			1, 235	1,304	1, 377
	(viii) Collateral loans	13 32	10	11	13	22	18	15	12	17	12	12	10	12
	(c) Investments in Canadian preferred and common stocks	32	33	34	36 6	37	38	41	42	46	50	51 15	53	56
	(d) Investments in subsidiary and associated companies	21	34	33	33	34	36	39	41	41	43	42	43	44
l,														
4.	Real estate and equipment	19	19	25	26	26	28	31	32	36	38	39	40	43
5.	Other assets	7	5	8	8	7	7	10	8	8	8	12	12	10
	Totals assets <sup>1</sup>	1,043	1,110	1,155	1,194	1,253	1,300	1,364	1, 423	1, 483	1, 514	1,604	1, 691	1,833
	Liabilities													
11.	Demand deposits and demand certificates (a) Chequable	160	178	196	208	203	205	217	238	256	258	142	147	150
	(b) Non-chequable <sup>2</sup>											134	146	156
12.	Term deposits, guaranteed investment certificates, instalment certificates and debentures	648	668	675	690	734	763	787	811	821	844	865	907	952
13.	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	2	4	6	7	12	14	15	15	17	12	19	32	11
	(b) Other loans and notes payable	1		3	4	4	4	3	3	5	6	9	13	67
15.	Other liabilities <sup>3</sup>	81	95	103	110	120	136	153	163	183	194	209	218	255
	Net worth													
20.	Ceneral, investment and special reserves	62	74	73	74	75	78	79	84	85	87	90	91	93
21.	Paid-in capital	48	52	54	55	56	57	61	61	68	70	84	88	91
	Net accruals, payables and retained income <sup>1</sup>	41	38	45	45	49	44	49	48	47	45	53	49	59
	Total liabilities and net worth <sup>1</sup>	1,043	1,110	1, 155	1, 194	1, 253	1,300	1,364	1,423	1,483	1, 514	1,604	1,691	1, 833

Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, lividends and other payables, and retained income.
 This item included in #11 (a) prior to 1964 as breakdown between chequable and non-chequable accounts was not available for this period.
 Consists mainly of long-term debentures and notes.

TABLE 3. Sales Finance and Consumer Loan Companies Quarterly Statements of Estimated Assets, Liabilities and Net Worth

	1961 1962							196	3			1964	
	3Q	4Q	10	2Q	3Q	4Q	10	2Q	3Q	4Q	10	2Q	3Q
						millio	ons of do	ollars					
Assets	1	1				1							
1. Cash on hand and on deposit:													
(a) In Canadian dollars:	18	27	15	22	26	28	19	27	26	31	38	35	40
(i) Cash and bank deposits(ii) Cash in other institutions		1	1 1		1	1	1 4	2	2	2	2 2	1 2	3
(b) In foreign currency	1	2,037	2,105	2,225	2,205	2,365	2,449	2,582	2,553	2,732	2,884	3,094	3,062
2. Accounts and notes receivable* 3. Other current assets	1,992	3	3	4	4	4	4	4	4	5	5	10	8
4. Investments and advances:	-												
(a) Investments in Canadian securities: (i) Short-term notes of finance and other													
companies	7	4	5 5	17 18	13 19	16 17	10 20	17 14	8	8 5	8	5 11	7
(ii) Government of Canada treasury bills	17 36	5 30	29	16	35	42	34	29	6	18	13	27	29
(iv) Other Canadian bonds and debentures	23 4	18	24 5	17	13	9	26 8	25 9	69 12	43 13	53 18	58 23	38 14
(v) Other Canadian investments					5	10	13	11	12	13	13	27	23
mon stocks	4 11	4 19	14	5 28	4	10	15			2			
(d) Investments in subsidiary and associated com-	146	160	161	172	197	195	212	226	220	251	264	214	264
5. Property, plant and equipment	14	14	15	16	16	16	17	17	17	17	23	32	31
6. Other assets	13	13	15	15	16	18	19	18	18	21	22	25	24
	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2, 961	3,162	3,352	3,564	3,559
T 1-3-13141													
Liabilities	396	415	427	434	417	464	461	478	460	485	485	440	443
11. Owing parent and associated companies													205
(a) Bank loans and overdrafts(b) Demand and short-term notes payable (Canadian	166	195	166	233	198	212	189	194	187	254	232	244	
dollars)	489	465	512	540	570	582	703	723	704	731	871	1,015	889
currency) <sup>1</sup>	28	26	26	39	38	88	66	83	84	113	160	184	255
(d) Other short-term loans payable	1	2	2	2	2	2	2	2	2	2	2	3	1
(a) Income and other taxes payable	19	20	21	19	19	17	20	20	24	22	24	23	26 64
(b) Other payables	24	22	27	34	30	30	36	44	35	39	46	54	04
(a) Dealers' credit balances	47	46	42	45	46	43	42	45	46	43	43	47	48
(b) Other current liabilities	3	2	3	3	4	4	4	4	5	5	5	6	8
<ol> <li>Long-term debt:</li> <li>(a) Debentures, bonds and notes (Canadian dollars)</li> </ol>	660	687	700	712	723	758	776	823	834	864	626	640	682
(b) Debentures, bonds and notes (foreign currency) <sup>2</sup> (c) Mortgages and other long-term debt	3	2	2	4	2	2	2	3	3	4	248	259	268
16. Other liabilities:		_	_										
(a) Unearned income and other deferred credits	139	137	139	150	157	159	158	173	178	182	182	200	213
(c) Interest of minority shareholders	ī	1	1	1	î	1	î	î	î	1	1	ĩ	-1
Net worth													
20. Paid-in capital	187	192	199	206	208	223	227	238	239	252	252	265	268
21. Retained income	128	127	133	139	145	140	148	151	160	164	171	175	183
Total liabilities and net worth	2,290	2,340	2,401	2,560	2,561	2,726	2,834	2,982	2, 961	3,162	3,352	3,564	3,559
* Footnote:													
(a) Specified receivables:3													
Instalment finance companies: Consumer goods	794	756	739	782	798	801	799	865	878	874	886	962	987
Commercial and industrial goods Wholesale goods	405 128	395 184	390 230	423	445	440	448	490	514	520	513	555 408	579 243
Totals	1,327	1,335	1,359	1,442	143	240 1,481	305	279 1,634	174	301 1, 695	415 1,814	1, 925	1,809
Consumer loan companies:	., 5 1	2,300	2,000	11 224	1,000	1, 101	1,00%	1,004	1,000	1,000	1,014	1,000	
Instalment credit	38	35	37	42	49	52	51	53	55	55	46	49	52
Cash loans	534	559	576	604	631	662	675	709	729	755	750	787	812
(b) Other receivables <sup>4</sup>	572 128	594 142	613 168	174	680	714	726	762	784	810	796	836	864 437
Total receivables	2,027	2,071	2,140	2,262	176	2 402	210	225	247	270	319	380	3, 110
Allowance for bad debts	- 35	- 34	- 35	- 37	- 37	2,403	2,488	2,621	2,597	2,775	2,929	3,141	- 48
Total receivables (net)	1,992	2, 037	2,105	2,225	2,205	2,365	0.0	00	7.3	40	40	3,094	3, 062

Includes foreign bank loans,

This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period,

Detail of "Specified Receivables" is taken from DBS publication, \*\*Credit Statistics\* (Catalogue No. 61-004) and previous data have been revised accordingly in this publication.

"Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

## TABLE 4. Consumer Loan Companies<sup>1</sup>

Quarterly Statements of Estimated Assets, Liabilities and Net Worth

_	2.2.102, Seatonians			130008,	210011	Toles at	nu net	WOILE						
		196	61		19	62			19	63			1964	
_		3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3ର	4Q	1Q	2Q	3Q
	Assets		ı	l			milli	ons of	dollars					
1	. Cash on hand and deposit:  (a) In Canadian dollars:													
	(i) Cash and bank deposits (ii) Cash in other institutions	6	6	4	6	7	5	5	5	8	7	8	7	8
	(b) In foreign currency													
2	2. Accounts and notes receivable	529	541	550	575	591	610	617	644	654	673	678	711	726
3	Other current assets		1	1	1	1	1	1	1	1	1	1	1	1
. 4	. Investments and advances:													
	(a) Investments in Canadian securities:  (i) Short-term notes of finance and other companies  (ii) Government of Canada treasury bills  (iii) Other Government of Canada debt  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments	7	4	4	13	10	14	9	15	4	4	5	4	3
	(b) Investments in Canadian preferred and common stocks													
	(d) Investments in subsidiary and associated companies													
5	. Property, plant and equipment	5	5	5	5	5	5	5	5	5	5	5	5	5
6	Other assets	1	1	1	1	1	1	1	1	1	1	1	2	2
	Total assets	547	557	565	600	614	636	638	670	673	691	697	730	746
	Liabilities													
11	. Owing parent and associated companies	355	367	370	376	385	405	401	417	406	411	407	367	381
12	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	49	49	42	51	50	52	52	52	58	67	68	62	49
	(b) Demand and short-term notes payable (Canadian dollars)	42	39	41	50	49	58	56 1	62	61	69	69	125	128
	(c) Demand and short-term notes payable (foreign currency) (d) Other short-term loans payable	1		1		1	1	1						
13	. Accounts payable:													
	(a) Income and other taxes payable	8	8	10 4	8 7	10 7	9	10	9	11 9	8 6	10	8 12	11 13
14	Other current liabilities:													
	(a) Dealers' credit balances	1	1	1	1	1	1	1	1	1	1	1	1	1
	(b) Other current liabilities													
15	. Long-term debt: (a) Debentures, bonds and notes (Canadian dollars)	6	7	8	7	8	8	9	11	11	11	7	17	19
	(b) Debentures, bonds and notes (foreign currency) <sup>2</sup>		·									3	3	3
	(c) Mortgages and other long-term debt													
16	Other liabilities:		40	21	23	23	24	24	26	27	30	31	35	38
	(a) Unearned income and other deferred credits	19	19	21	23	23	24	24	20	21	30	0.1	33	00
	(c) Interest of minority shareholders													
	Net worth													
20	. Paid-in capital	44	44	45	50	50	52	52	53	53	56	56	55	55
21	. Retained income	20	18	23	25	31	22	27	30	36	33	41	43	48
	Total liabilities and net worth	547	557	565	600	614	636	638	670	673	691	697	730	746
-														

<sup>&</sup>lt;sup>1</sup> Since some Consumer Loan Companies are included in consolidated reports filed by Sales Finance Companies, this table excludes several of these companies.

<sup>2</sup> This item included in # 15 (a) prior to 1964 as breakdown between Canadian and foreign debt was not available for this period.



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
FOURTH OUARTER 1964

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## CHANGES FROM PREVIOUS ISSUE

- Two new tables are included in this issue: Table 4. Mutual Funds. Table 5. Closed-End Funds.
- 2. The table on Consumer Loan Companies was discontinued, with the financial statistics for this group continuing to be reflected in the combined table "Sales Finance and Consumer Loan Companies".
- 3. Tables 1, 2 and 3 have been revised back to first quarter 1963 taking into account the latest available information.

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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

## FOURTH QUARTER 1964

#### INTRODUCTION

The survey, which was initiated in 1961, is designed to provide up-to-date information for major industry groups on the assets employed, liabilities incurred and the use of shareholders' equity. The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds and closed-end funds. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, investment dealers, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

## TABLE 1. Trust Companies

Quarterly Statements of Est	imated A	Assets,	Liabil	ities a	nd Sha	renolde	rs. Equ	nty					
	1961		190	62			19	63			19	64	
	4ດ	1ର୍	2බ	3Q	4Q	1Q	2Q	3Q	4Q	10	2Q	30	4Q
	1	L				millio	ons of	dollars					
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	47	30	34	26	46	63	65	45	60	37	45	41	65
(ii) Cash in other institutions	3	2	2	1	1	2	4	4	3	4	2	2	4
(b) In foreign currency	4	16	22	8	7	8	8	4	8	3	9	6	13
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	9	10	7	10	18	8	5	15	27	15	7	6	17
(ii) Other Government of Canada debt	277	304	288 136	290 131	281	284 145	302 164	288	291 154	336 166	323 162	339 155	366 163
(iii) Provincial government debt	82	85	86	87	94	105	109	115	114	126	129	124	129
(v) Short-term notes of finance and other companies	112	185	145	159	122	201	205	218	108	234	261	225	152
(vi) Corporation and institution bonds	127	126	137	132	140	156	172	188	196	207	207	210	214
(vii) Mortgage loans and sales agreements	630	680	744	810	845	900	968	1,039	1, 103	1, 175	1, 259	1,340	1,422
(viii) Collateral loans	63	66	68	70	83	77	74	86	123	96	106	102	96
(b) Investments in Canadian preferred and common stocks	53	54	57	60	63	75	67	66	65	68	71	65	68
(c) Investments in foreign securities	6	6	6	6	6	6	4	4	4	8	4	4	6
(d) Investments in subsidiary and associated companies	7	7	7	8	9	8	9	10	10	10	11	12	16
4. Real estate and equipment	26	28	28	28	31	32	32	34	36	38	39	40	39
5. Other assets	12	10	12	13	13	18	18	17	18	18	20	19	20
Total assets <sup>1</sup>	1,590	1, 743	1, 779	1, 839	1, 894	2, 088	2, 205	2, 293	2, 321	2,541	2,656	2, 692	2, 789
Liabilities													
													800
11. Demand deposits and demand certificates (a) Chequable	512	579	612	588	610	381	406	432		441	462	475	506
(b) Non-chequable <sup>2</sup>						275	307	357	368	446	464	487	523
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	896	968	974	1,040	1,094	1, 203	1, 254	1, 278	1, 279	1,405	1,462	1,447	1,500
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	9	9	10	10	2	3	3	3	2	2	4	8	5
(b) Other loans and notes payable	6	19	9	27	7	36	42	24	17	25	37	36	11
15. Other liabilities	3	4	3	3	2	5	4	4	4	4	4	5	5
Shareholders' equity													
20. General, investment and special reserves	88	90	93	93	102	105	106	100	115	110	123	126	134
21. Paid-in capital	1	58			1			108		118			84
30. Net accruals, payables and retained income <sup>1</sup>			60	60			66	68		76	80	83	22
		15	19	18	14		16	19		24	21	25	
Total liabilities and shareholders' equity'	1,590	1, 743	1, 779	1, 839	1,894	2, 088	2, 205	2, 293	2, 321	2,541	2,656	2,692	2, 789

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest dividends and ther payables, and retained income.

<sup>1</sup> This item included in # 11 (a) prior to 1963 as breakdown between chequable and non-chequable accounts was not available for this period.

## TABLE 2. Mortgage Loan Companies

_	Quarterly Statements of Estima	ted Ass	ets, Li	abilitie	es and l	Shareho	olders'	Equity						
		1961 1962						196	33			196	64	
		42	10	2Q	3Q	4ର	1Q	2Q	3Q	4Q	10	2Q	3Q	4Q
							milli	ons of	dollars					
	Assets											į	1	
1.	Cash on hand and on deposit:													
	(a) In Canadian dollars:										1			
	(i) Cash and bank deposits	14	16	17	17	23	14	15	15	17	21	19	67	52
	(ii) Cash in other institutions	4	4	1	4	5	3	3	3	3	6	10	9	12
	(b) In foreign currency													
3.	Investments:													
	(a) Investments in Canadian securities:													
	(i) Government of Canada treasury bills	6	3		3	2	2	4	1	3	2	12	7	3
	(ii) Other Government of Canada debt	90	96	95	89	91	103	119	122	104	102	103	118	117
	(iii) Provincial government debt	29	32	32	31	31	35	36	38	35	37	41	41	42
	(iv) Municipal government debt	8	9	9	8	8	7	7	8	8	8	9	9	11
	(v) Short-term notes of finance and other companies	4	9	5	8	4	17	7	4	4	6	6	11	7
	(vi) Corporation and institution bonds	14	14	15	14	14	18	20	20	25	24	24	26	26
,	(vii) Mortgage loans and sales agreements	836	858	898	946	989	1,029	1,078	1,140	1,188	1, 242	1,314	1,387	1,469
	(viii) Collateral loans	10	11	13	22	18	15	12	12	13	12	10	11	13
	(b) Investments in Canadian preferred and common stocks	33	34	36	37	38	43	45	49	52	51	54	56	56
	(c) Investments in foreign securities	3	3	6	6	6	11	7	4	4	14	7	4	4
	(d) Investments in subsidiary and associated companies	34	33	33	34	36	40	41	41	43	43	44	44	45
4.	Real estate and equipment	19	25	26	26	28	31	33	33	36	36	37	40	42
5.	Other assets	5	8	8	7	7	9	8	8	8	12	13	10	9
	Total assets <sup>1</sup>	1, 110	1, 155	1, 194	1, 253	1, 300	1,376	1,436	1, 497	1, 344	1, 615	1, 702	1,841	1, 908
	Liabilities													
1.	Demand deposits and demand certificates (a) Chequable	178	196	208	203	205	131	138	143	139	142	147	149	154
	(b) Non-chequable <sup>2</sup>						84	102	113	121	133	145	155	166
2.	Term deposits, guaranteed investment certificates, instalment certificates and debentures	668	675	690	734	763	788	811	823	845	862	905	949	980
3.	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	4	6	7	12	14	16	18	20	20	22	34	13	17
	(b) Other loans and notes payable		3	4	4	4	1	1	3	4	6	10	64	69
5.	Other liabilities <sup>3</sup>	95	103	110	120	136	158	166	185	200	214	226	263	276
	Shareholders' equity													
0.	General, investment and special reserves	74	73	74	75	78	79	84	85	87	88	90	91	96
1.	Paid-in capital	52	54	55	56	57	65	65	72	80	91	95	95	99
	Net accruals, payables and retained income <sup>1</sup>	38	45	45	49	44	53	50	53	47	56	51	61	52
	Total liabilities and shareholders' equity'	1, 110	1, 155	1, 194	1, 253	1, 300	1,376	1,436	1,497	1,544	1, 615	1,702	1,841	1, 908

Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, ividends and other payables, and retained income.
 This item included in #11 (a) prior to 1963 as breakdown between chequable and non-chequable accounts was not available for this period.
 Consists mainly of long-term debentures and notes.

## TABLE 3. Sales Finance and Consumer Loan Companies

	1961 1962				1963				1964				
	4Q	10	2Q	3Q	4Q	1Q	22	3Q	4Q	10	2Q	3Q	40
						milli	ons of d	ollars					
Assets													
1. Cash on hand on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits	27	15	22	26	28	19	27	26	27 4	38	36 1	40	43
(ii) Cash in other institutions	1	1		1	1	8	8	7	8	9	11	13	13
(b) In foreign currency		2, 105	2, 225	2, 205	2, 365	2,457	2,595	2,567	2,751	2,901	3, 130	3,085	3, 202
3. Other current assets	3	3	4	4	4	4	4	4	5	6	6	8	10
4. Investments and advances:	1	1											
(a) Investments in Canadian securities:								1					
(i) Short-term notes of finance and other com-	4	5	17	13	16	10	16	7	7	8	5	7	
(ii) Government of Canada treasury bills	5 30	5 29	18 16	19 35	17 42	20 34	14 29	14	18	13	11 27	13 29	6
(iii) Other Government of Canada debt(iv) Other Canadian bonds and debentures	18	24	17	13	9	26	25	69	43	53	58	38	59
(v) Other Canadian investments	4	5	5	8	6	10	12	16	15	20	23	16	11
(b) Investments in Canadian preferred and common stocks	4	4	5	5	10	13	11	12	13	13	27	23	15
(c) Investments in foreign securities	19	14	28	4			1	1	4	1	1		1
panies	160	161	172	197	195	211	229	221	252	266	218	267	273
5. Property, plant and equipment	14	15	16	16	16	17	18	18	18	23	32	32	31
6. Other assets	13	15	15	16	18	17	17	17	20	22	24	24	25
Total assets	2,340	2,401	2,560	2,561	2,726	2,849	3,005	2,986	3, 191	3, 382	3,610	3,597	3,700
									1				
Liabilities													
11. Owing parent and associated companies	415	427	434	417	464	463	480	460	486	488	444	449	452
12. Short-term loans and notes payable: (a) Bank loans and overdrafts	195	166	233	198	212	192	194	190	259	230	244	204	234
(b) Demand and short-term notes payable (Canadian					= 00	004	714	604	744	887	1,042	908	871
dollars)	465	512	540	570	582	694	714	694	744	001	1,042	300	
currency) <sup>1</sup>	26 2	26	39	38	88	78 2	102	105	113	159 2	181	255	279
(d) Other short-term loans payable	2	2	2	2	2	4	4	4	2	4	3		
13. Accounts payable: (a) Income and other taxes payable	20	21	19	19	17	20	20	24	22	24	23	26	22
(b) Other payables	22	27	34	30	30	32	44	34	38	46	53	63	61
14. Other current liabilities: (a) Dealers' credit balances	46	42	45	46	43	43	45	47	45	44	47	48	46
(b) Other current liabilities	2	3	3	4	4	4	4	5	5	5	6	7	7
15. Long-term debt:	0.05	700	710	F00	750	500	504	000	000	007	600	600	735
<ul> <li>(a) Debentures, bonds and notes (Canadian dollars)</li> <li>(b) Debentures, bonds and notes (foreign currency)<sup>2</sup></li> </ul>	687	700	712	723	758	566 210	584 240	609 225	622 243	627 249	638	682 269	289
(c) Mortgages and other long-term debt	2	2	4	2	2	3	3	4	4	3	6	6	6
16. Other liabilities:  (a) Unearned income and other deferred credits	137	120	150	157	150	150	1774	170	100	183	204	213	217
(b) Pensions, trust or earmarked funds	1	139	150	157	159	159 1	174	179	183	1	1	1	1
(c) Interest of minority shareholders	1	1	1	1	1	1	1	1	. 1	2	2	2	1
Shareholders' equity	100	1 400						1	1				0.00
20. Paid-in capital	192	199	206	208	223	234	246	248	261	259	272	275	190
21. Retained income	127	133	139	145	140	147	151	159		173		187	
Total Habitaties and Shareholders equity	2,340	2,401	2,560	2,561	2,726	2,849	3,005	2,986	3, 191	3,382	3,610	3,597	3,700
* Footnote:													
(a) Specified receviables:3													
Sales finance companies: Consumer goods	756	739	700	700	0.01	700	005	070	074	000	. 000	0.07	967
Commercial and industrial goods	395	390	782 423	798 445	801 440	799 448	865 490	878 514	874 520	886 513	962 555	987 579	582
Wholesale goods	184	230	237	143	240	305	279	174	301	415	408	243	25'
Totals	1,335	1,359	1,442	1,386	1,481	1,552	1,634	1,566	1,695	1,814	1,925	1,809	1,80
Consumer loan companies:	0.5												-
Instalment credit	35 559	37 576	42 604	631	52 662	51 675	709	55 729	755	46 750	49 787	52 812	84
Totals	594	1	646	680	714	726	762	784	810	796	836	864	90
(b) Other receivables <sup>4</sup>		1	1		1		1		1	1			
Total receivables	2, 071		174	176	208	218	241	261	288	336	417	461	545
Allowance for bad debts	2, 071 - 34	, , ,	2, 262	, -	2, 403	2,496	2,637	2, 611	2, 793	2,946		3, 134	3,25
Total receivables (net)	2,037	2, 105	2, 225	2, 205	- 38 2, 365	2,457	- 42	2,567	- 42	- 45	- 48	- 49 3, <b>085</b>	
							2, 595		2,751		3,130		

Includes foreign bank loans.
 This item included in # 15 (a) prior to 1963 as breakdown between Canadian and foreign debt was not available for this period.
 Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004).
 "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

TABLE 4. Mutual Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

-								
		1963						
		<b>2</b> Q	3Q	4Q	1Q	2Q	3Q	4Q
	Assets			milli	ons of do	llars		
1.	Cash on hand and on deposit: (a) Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions (b) Foreign currency	10 3 1	11 3 3	9 1 2	10 3 2	16 3 2	17 2 2	18 5 2
	Short-term notes and bills: (a) Government of Canada treasury bills (b) Canadian short-term notes of finance and other companies (c) Foreign short-term notes	4 4 1	4 7	4 5	4 3	4 10 1	4 39 3	4 43 1
3.	Interest and dividends due and accrued	5	5	6	6	7	6	7
4.	Amount due from brokers and other current assets	3	6	5	8	5	10	7
5.	Portfolio at cost (see also Table 4 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (l) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares	60 29 36 5 3 53 500 2	58 28 38 6 507	58 31 40 6 11 64 518	58 31 45 7 19 67 530	64 28 41 9 27 71 551	65 32 41 10 5 71 578	68 42 44 12 9 72 623
	Total portfolio at cost	832	854	889	919	959	977	1,053
	(d) Investments in subsidiary companies							
6.	Property, buildings and equipment							
	Other assets							
8.	Total assets at cost	863	894	920	956	1, 006	1,060	1, 140
	Liabilities							
11.	Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable	1	3	2	1	2	1 1	1 1
12.	Accounts payable: (a) Income and other taxes payable	1 5	1 11	1 6	1 6	1 9	1 11	1 10
13.	Long-term debt	1	1	1	1	1	1	1
	Other liabilities	1			1		1	
	Shareholders' equity							
30.	Paid-in capital	795	820	845	873	914	963	1,040
21.	Reserves: (a) Investment reserves (b) Other reserves	5	5	6	7	6	7	7
22.	Retained income	54	53	60	66	73	75	79
	Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1, 140

TABLE 4A. Investment Portfolio at Market Value

		1963			1964			
		2Q	3Q	<b>4</b> Q	1Q	2Q	3Q	4Q
-				milli	ons of do	llars	1	
2.	Portfolio:  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (i) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares  Total portfolio at market  Total portfolio at cost (Item 5-Table 4)  Unrealized appreciation (Item 1 minus 2)	61 29 37 5 3 55 637 2 169 998 832	58 28 40 64 462 650 2178 1,028 854 174	58 30 42 7 11 67 676 10 183 1,084 889	58 31 47 7 20 70 716 10 192 1,151 919 232	64 28 45 9 28 75 779 6 205 1,239 959 280	65 32 41 10 5 75 843 4 220 1, 295 977 318	69 42 44 12 9 76 891 5 227 1,375 1,053 322
	TOTAL ASSETS AT MARKET PRICES (Item 8-Table 4 plus item 3-Table 4A)	1, 029	1,068	1, 115	1, 188	1, 286	1,378	1, 462

## TABLE 5. Closed-End Funds

		1963		1964				
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
			millio	ns of doll	lars			
Assets	1	1						
1. Cash on hand and on deposit: (a) Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions (b) Foreign currency	1	2	1	2	1	1 3		
2. Short-term notes and bills:  (a) Government of Canada treasury bills  (b) Canadian short-term notes of finance and other companies  (c) Foreign short-term notes	1 8	3	3	1	2	6		
3. Interest and dividends due and accrued	1	1	1	1	1	1		
4. Amount due from brokers and other current assets	1	1	2	1	2	2		
5. Portfolio at Cost (see also Table 5A): (a) Investments in Canadian bonds: (i) Government of Canada debt (ii) Provincial and municipal debt (iii) Corporate bonds and debentures (iv) Mortgages and agreements of sale	7 1 15	7 1 16	5 1 13	4	3 11	4 1 8		
(v) Other Canadian investments (b) Investments in Canadian stocks: (i) Preferred shares	37	10	10 29	60 34	61 34 275	61 33 287	3 29	
(ii) Common shares (c) Investments in foreign securities: (i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares	269	299 1 11	314	275	15	15	1	
Total portfolio at cost	347	389	385	402	399	409	41	
(d) Investments in subsidiary companies	14	11	11	11	11	11	1	
6. Property, buildings and equipment								
7. Other assets	1	2	2	2	1	1		
8. Total assets at cost	375	409	406	421	418	437	44	
Liabilities								
1. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable	1 1	30 1	19	25 1	2 15	2 24	2	
Accounts payable:     (a) Income and other taxes payable	3	2	2	3	2	3		
3. Long-term debt	32	32	32	32	32	32	3	
4. Other liabilities	1	1	1	1	1	1		
Shareholders' equity								
0. Paid-in capital	195	199	201	201	202	205	20	
1. Reserves: (a) Investment reserves	96	97	102	109	114	117	1:	
(b) Other reserves	1							
22. Retained income	46	47	48	49	51	54		
Total liabilities and shareholders' equity	375	409	406	421	418	437	4	

TABLE 5 A. Investment Portfolio at Market Value

		1963		1964				
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
1. Portfolio:	millions of dollars							
(a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (i) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares  Total portfolio at market	7 1 18 7 46 444 17 540	7 1 20 10 56 477 1 17 589	5 1 17 10 37 505	4 18 60 43 491 21 637	3 14 61 45 558 22 703	4 1 8 61 47 591 22 734	5 1 8 60 47 608 21 750	
2. Total portfolio at cost (Item 5-Table 5)	347	389	385	402	399	409	417	
3. Unrealized appreciation (Item 1 minus 2)	193	200	209	235	304	325	333	
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 5 plus item 3-Table 5 A)	568	609	615	656	722	762	775	

### CONTENT OF GROUPS

## **Trust Companies**

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

## Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

## Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication, Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in Credit Statistics and in this publication.

## **Mutual Funds**

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, non-resident owned funds in which the Canadian public cannot purchase shares, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

## **Closed-End Funds**

The main difference between this group and the mutual funds is the fact that shares of closedend companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives - investment or control - and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

## DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

## A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

## Item 11-Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 21—General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

## B. Sales Finance and Consumer Loan Companies

## Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit* 

Statistics contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in Credit Statistics. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 – Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

## Item 13-Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

## Item 15-Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily witholds part of the purchase price. This item represents the total amount so withheld.

## Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### C. Mutual Funds and Closed-End Funds

## Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

## QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

## OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual) Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual) Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)
Dominion Bureau of Statistics Credit Statistics
(monthly)

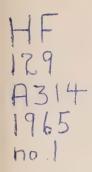
Financial Post Survey of Industrials (annual) Financial Post Survey of Investment Funds (annual)







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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FIRST QUARTER 1965



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

#### FIRST QUARTER 1965

#### INTRODUCTION

The survey, which was initiated in 1961, is designed to provide up-to-date information for major industry groups on the assets employed, liabilities incurred and the use of shareholders' equity. The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds and closed-end funds. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, investment dealers, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

TABLE 1. Trust Companies

		196	32	1		196	3			19	54		1965
	1Q	2Q	32	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
						million	ns of d	ollars					
Assets							1	1					
1. Cash on hand and on deposit:							,						
(a) In Canadian dollars:													
(i) Cash and bank deposits	30	34	26	46	63	65	45	60	37	45	41	65	45
(ii) Cash in other institutions	2	2	1	1	2	4	4	3	4	2	2	4	4
(b) In foreign currency	16	22	8	7	8	8	4	8	3	9	6	13	1
3. Investments:													
(a) Investments in Canadian securities:	1 1			1									
(i) Government of Canada treasury bills	10	7	10	18	8	5	15	27	15	7	6	17	12
(ii) Other Government of Canada debt	304	288	290	281	284	302	288	291	336	323	339	366	372
(iii) Provincial government debt		136	131	136	145	164	160	154	166	162	155	163	188
(iv) Municipal government debt	85	86	87	94	105	109	115	114	126	129	124	129	139
(v) Short-term notes of finance and other companies	185	145	159	122	201	205	218	108	234	261	225	152	303
(vi) Corporation and institution bonds		137	132	140	156	172	188	196	207	207	210	214	210
(vii) Mortgage loans and sales agreements		744	810	845	900	968	1,039	1,103	1,175	1,259	1,340	1,422	1, 515
(viii) Collateral loans	66	68	70	83	77	74	86	123	96	106	102	96	145
(b) Investments in Canadian preferred and common stocks	54	57	60	63	75	67	66	65	68	71	65	68	68
(c) Investments in foreign securities	6	6	6	6	6	4	4	4	8	4	4	6	7
(d) Investments in subsidiary and associated companies	7	7	8	9	8	9	10	10	10	11	12	16	17
4, Real estate and equipment	28	28	28	31	32	32	34	36	38	39	40	39	41
5. Other assets	10	12	13	13	18	18	17	18	18	20	19	20	20
Total assets <sup>1</sup>	1,743	1, 779	1,839	1,894	2,088	2, 205	2, 293	2, 321	2, 541	2, 656	2, 692	2, 789	3, 087
									1				
Liabilities													
11. Demand deposits and demand certificates (a) Chequable <sup>2</sup>	3 579	612	588	610	381	406	432	451	441	462	475	506	515
(b) Non-chequable <sup>2</sup>	J				275	307	357	368	446	464	487	544 <sup>1</sup>	554
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	968	974	1,040	1,094	1, 203	1, 254	1, 278	1, 279	1.405	1.462	1,447	1, 478	1,710
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	9	10	10	2	3	3	3	2	2	1 4	8	5	
(b) Other loans and notes payable		9	27	7	36	42	24			37		11	47
15, Other liabilities		3	3	2	5	4	4	11	4	1 4	5	5	,
	1	, ,		4	3	7	*	1	1 2	7	, ,		
Shareholders' equity												,	
20, General, investment and special reserves	90	93	93	102	105	106	108	115	118	123	126	134	135
21. Paid-in capital.	58	60	60	62	66	66	68	71	76	80	83	84	88
30. Net accruals, payables and retained income <sup>1</sup>	15	19	18	14	14	16	19	15	24	21	25	22	27
Total liabilities and shareholders' equity'	1,743	1, 779	1, 839	1, 894	2. 089	2 205	2 202	2 221	2 541	2 680	2 600	2 780	3. 087
	., , 20		1,000		_ , 000	~, 200	2, 293	2, 321	2, 541	2, 006	2, 692	2, 109	1

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

Breakdown between chequable and non-chequable accounts was not available prior to 1963

Tevised figures

#### TABLE 2. Mortgage Loan Companies

		1962					19	63		1		1965		
		10	20	36	40	10	20	3Q	4Q	1Q	2Q	3Q	4Q	1Q
_		-		1 .			million	s of do	ollars					
	Assets			-		1	***************************************	10 01 40	711415					
1.	Cash on hand and on deposit:	İ				1								
	(a) In Canadian dollars:								Mariana					
	(i) Cash and bank deposits	16	17	17	23	14	15	15	17	21	19	67	52	3
	(ii) Cash in other institutions	4	1	4	5	3	3	3	3	6	10	9	. 12	
	(b) In foreign currency													
3.	Investments:													
	(a) Investments in Canadian securities:													
	(i) Government of Canada treasury bills	3		3	2	2	4	1	3	2	12	7	3	
	(ii) Other Government of Canada debt	96	95	89	91	103	119	122	104	102	103	118	117	124
	(iii) Provincial government debt	32	32	31	31	35	36	38	35	37	41	41	42	4
	(iv) Municipal government debt	9	9	8	8	7	7	8	8	8	9	9	11	
	(v) Short-term notes of finance and other companies	9	5	8	4	17	7.	4	4	6	6	11	7	
	(vi) Corporation and institution bonds	14	15	14	14	18	20	20	25	24	24	26	26	3.
	(vii) Mortgage loans and sales agreements	858	898	946	989	1,029	1,078	1,140	1,188	1,242	1,314	1,387	1,469	1,575
	(viii) Collateral loans	11	13	22	18	15	12	12	13	12	10	11	13	10
	(b) Investments in Canadian preferred and common stocks	34	36	37	38	43	45	49	52	51	54	56	56	56
	(c) Investments in foreign securities	3	6	6	6	11	7	4	4	14	7	4	4	4
	(d) Investments in subsidiary and associated companies	33	33	34	36	40	41	41	43	43	44	44	45	2
4.	Real estate and equipment	25	26	26	28	31	33	33	36	36	37	40	42	
5.	Other assets	8	8	7	7	9	8	8	8	12	13	10	9	12
	Total assets <sup>1</sup>	1,155	1, 194	1, 253	1,300	1,376	1,436	1,497	1, 544	1,615	1,702	1,841	1,908	2, 178
	Liabilities													
1	Downey deposits and demand contificator (a) Chappahlo2				i	131	138	143	139	142	147	149	154	151
1.	Demand deposits and demand certificates (a) Chequable <sup>2</sup>	} 196	208	203	205	84	102	113	121	133	145	155	166	179
	(b) Non-chequable <sup>2</sup>					04	102	110	121	100	140	100	100	(13
2.	Term deposits, guaranteed investment certificates, instalment certificates and debentures	675	690	734	763	788	811	823	845	862	905	949	980	1,013
3.	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	6	7	12	14	16	18	20	20	22	34	13	17	20
	(b) Other loans and notes payable	3	4	4	4	1	1	3	4	6	10	64	69	74
5.	Other liabilities <sup>3</sup>	103	110	120	136	158	166	185	200	214	226	263	276	4704
	Shareholders' equity											1		
0.	General, investment and special reserves	73	74	75	78	79	84	85	87	88	90	91	96	96
1.	Paid-in capital	54	55	56	57	65	65	72	80	91	95	95	99	113
0.	Net accruals, payables and retained income <sup>1</sup>	45	45	49	44	53	50	53	47	56	51	61	52	63
	Total liabilities and shareholders' equity <sup>1</sup>	1, 155	1,194	1,253	1,300	1,376	1,436	1,497	1,544	1,615	1,702	1,841	1,908	2,178

Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, ividends and other payables, and retained income.
 Breakdown between chequable and non-chequable accounts was not available prior to 1963.
 Consists mainly of long-term debentures and notes.
 These items are affected by changes in inter-company accounts of affiliated companies.

TABLE 3. Sales Finance and Consumer Loan Companies Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		196	62			196	63			1965			
	12	2Q	3Q	4Q	10	2Q	3Q	40	1Q	38		4Q	12
						millio	ons of do	llars					
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars: (1) Cash and bank deposits (ii) Cash in other institutions (b) In foreign currency	15 1 1	22	26	28	19 1 8	27 8	26 7	27 4 8	9	. 1	3 13	43 2 13	41 11 14
2. Accounts and notes receivable*	2, 105	2, 225	2, 205	2,365	2,457	2,595	2,567	2,751				3, 202	3,367
3. Other current assets	3	4	4	4	4	4	4	5	6	6	8	10	6
4. Investments and advances: (a) Investments in Canadian securities: (i) Short-term notes of finance and other companies	5	17	13	16	10	16	7	7					12
(ii) Government of Canada treasury bills (iii) Other Government of Canada debt (iv) Other Canadian bonds and debentures	5 29 24 5	18 16 17 5	19 35 13 8	17 42 9 6	20 34 26 10	14 29 25 12	14 6 69 16	5 18 43 15	13 53	27 58	29 38	6 9 59 11	11 16 60 18
(v) Other Canadian investments (b) Investments in Canadian preferred and common stocks (c) Investments in foreign securities	4 14	5 28	5 4	10	13	11	12	13	13	27		15 1	13
(c) Investments in Subsidiary and associated companies	161	172	197	195	211	229	221	252	266		267	273	276
5. Property, plant and equipment		16	16	16	17	18	18	18	23	32	32	31	34
6. Other assets		15	16	18	17	17	17	20	22	24	24	25	33
Total assets		2,560	2,561	2,726	2,849	3,005	2,986	3, 191	3,382	3,610	3,597	3,700	3,912
Liabilities													125
11. Owing parent and associated companies	427	434	417	464	463	480	460	486	488	444	449	452	495
(a) Bank loans and overdrafts	166	233	198	212	192	194	190	259	230	244	204	234	213
(b) Demand and short-term notes payable (Canadian dollars)	512	540	570	582	694	714	694	744	887	1,042	908	871	981
(c) Demand and short-term notes payable (foreign currency) <sup>1</sup> (d) Other short-term loans payable	26 2	39	38 2	88 2	78 2	102	105	113	159 2			279 3	261 16
13. Accounts payable:  (a) Income and other taxes payable	21 27	19 34	19 30	17 30	20 32	20 44	24 34	22 38				22 61	25 69
14. Other current liabilities:  (a) Dealers' credit balances  (b) Other current liabilities	42	45	46	43	43	45	47 5	45				46 7	44
<ul> <li>15. Long-term debt:</li> <li>(a) Debentures, bonds and notes (Canadian dollars)<sup>2</sup></li> <li>(b) Debentures, bonds and notes (foreign currency)<sup>2</sup></li> <li>(c) Mortgages and other long-term debt</li></ul>	3 100	712	723	758	566 210 3	584 240   3	609 225 4	622 243 4	627 249 3	638 265 6	682 269 6	735 289 6	768 308 6
16. Other liabilities: (a) Unearned income and other deferred credits	139	150	157	159	159	174	179	183	183	204	213	217	217
(b) Pensions, trust or earmarked funds (c) Interest of minority shareholders		1	1 1	1	1 1	1 1	1 1	1 1	1 2	1 2	1 2	1 1	2
Shareholders' equity		1	1		1								
20. Paid-in capital 21. Retained income	199			223	234	246	248	261	259	272	275		
21. Retained income  Total liabilities and shareholders' equity			2,561						173 3,382	178 3,610	187 3,597	190 3,700	
* Footnote:													
(a) Specific receviables:  Sales finance companies:  Consumer goods	520	200	700	201	720	225						0.05	0.5
Commercial and industrial goods Wholesale goods	739 390 230	423	445	801 440 240	799 448 305	865 490 279	878 514 174			962 555 408	987 579 243		58
Totals	1,359	1,442	1,386	1,481	1,552	1,634	1,566	1,695		1,925	1,809	1,806	1,90
Consumer loan companies: Instalment credit Cash loans	37				51 675	53		55 755		49 787	52 812	54 847	
Totals						1	1	1	1	836			
(b) Other receivables <sup>4</sup>	168	174								417			
Total receivables	2, 140	1											
Allowance for bad debts					- 39	- 42				- 48	- 49		- :
Total receivables (net)	2,105	2,225	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3, 130	3,085	3,202	3,3
										4			-

Includes foreign bank loans.

Breakdown between Canadian and foreign debt was not available prior to 1963.

Little "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004).

"Outer Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

 ${\bf TABLE~4.~Mutual~Funds}$  Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		1963			19	064		1965
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	19
Assets				millions	of dollar	S		
L. Cash on hand and on deposit:								
(a) Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions (b) Foreign currency		11 3 3	9 1 2	10 3 2	16 3 2	17 2 2	18 5 2	24 3 1
2. Short-term notes and bills:  (a) Government of Canada treasury bills  (b) Canadian short-term notes of finance and other companies  (c) Foreign short-term notes	. 4	4 7	4 5	4 3	4 10 1	4 39 3	4 43 1	2 48 3
3. Interest and dividends due and accrued:		5	6	6	7	6	7	7
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14
j. Portfolio at cost (see also Table 4 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments	29 36 5	58 28 38 6	58 31 40 6	58 31 45 7 19	64 28 41 9 27	65 32 41 10 5	68 42 44 12 9	72 53 56 12 13
(b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:	500	60 507	64 518	67 530	71 551	71 578	72 623	78 666
(i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares		152	10 151	10 152	6 162	4 171	5 178	5 206
Total portfolio at cost		854	889	919	959	977	1,053	1, 161
(d) Investments in subsidiary companies								
3. Property, buildings and equipment								
7. Other assets		004	000	0.00	1 000	4 000	1 140	1 000
3. Total assets at cost	863	894	920	956	1,006	1,060	1,140	1,263
Liabilities								
1. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable	1	3	2	1	2	1 1	1 1	1 1
2. Accounts payable: (a) Income and other taxes payable	1	1	1	1	1	1	1	1
(b) Amount due brokers and other payables		11	6	6	9	11	10	27
3. Long-term debt		1	1	1	1	1	1	1
	1							
, Shareholders' equity  0. Paid-in capital	795	820	845	873	914	963	1,040	1,133
1 Reserves:					1			
(a) Investment reserves (b) Other reserves	5	5	6	7	6	7	7	8
2. Retained income		53	60	66	73	75	79	91
Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1,140	1,263

· TABLE 4A. Investment Portfolio at Market Value

		1963				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
				millions	of dollar	S		
. Portfolio:								
(a) Investments in Canadian bonds: (i) Government of Canada debt (ii) Provincial and municipal debt (iii) Corporate bonds and debentures (iv) Mortgages and agreements of sale (v) Other Canadian investments	61 29 37 5 3	58 28 40 6 4	58 30 42 7 11	58 31 47 7 20	64 28 45 9 28	65 32 41 10 5	69 42 44 12 9	73 53 57 12 13
(b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares	55 637	62 650	67 676	70 716	75 779	75 843	76 891	80 972
(c) Investments in foreign securities: (i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares  Total portfolio at market	2 169 <b>998</b>	178 1,028	10 183 1, 084	10 192 1, 151	6 205 1, 239	220 1,295	5 227 1,375	5 263 1,528
Total portfolio at cost (Item 5-Table 4)  Unrealized appreciation (Item 1 minus 2)	832 166	854 174	889 195	919 232	959 280	977 318	1, 053 322	1, 161 367
TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 4 plus item 3 - Table 4 A)	1,029	1,068	1, 115	1, 188	1, 286	1,378	1,462	1, 630

## TABLE 5. Closed-end Funds Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		1963			64		1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	1		n	nillions o	f dollars		- 1	
Assets	1							
1. Cash on hand and on deposit:  (a) Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) Foreign currency	1	2	1 1	2	1	1 3	2 2	2 3
2. Short-term notes and bills:  (a) Government of Canada treasury bills	1 8	3	3	1	2	6	4	20
3. Interest and dividends due and accrued	1	1	1	1	1	1	1 '	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2
5. Portfolio at cost (see also Table 5A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt	7 1 15	7   1 16	5 1 13	4	3	4   1   8	5 1 8	6
(iv) Mortgages and agreements of sale (v) Other Canadian investments	7	10	10	60	61	61	60	60
(b) Investments in Canadian stocks: (i) Preferred shares (ii) Common shares (c) Investments in foreign securities:	37 269	44 299	29 314	34 275	34 275	33 287	33 295	32 309
(i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares	11	11	13	15	15	15	15	17
Total portfolio at cost	347	389	385	402	399	409	417	432
(d) Investments in subsidiary companies	14	11	11	11	11	11	11	1:
6. Preperty, buildings and equipment								
7. Other assets	1	2	2	2	1	1	1	
8. Total assets at cost	375	409	406	421	418	437	442	47
Liabilities								
1. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable	1 1	30 1	19 1	25 1	2 15	2 24	5 24	4:
(a) Income and other taxes payable	3		2	3	2	3	2	
3. Long-term debt	32	32	32	32	32	32	32	3
4. Other liabilities	1	1	1	1	1	1	1	
Shareholders' equity								
O. Paid-in capital	195	199	201	201	202	205	205	20
1. Reserves: (as involuent reserves	96	97	102	109	114	117	119	13
b) Other reserves	1	4.77	40	40			E 4	
Total liabilities and shareholders' equity	46	47	48	49	51	54	54	5 47
Town manners and shareholders equity	375	409	406	421	418	437	442	4

TABLE 5 A. Investment Portfolio at Market Value

		1963			19		1965			
	2Q 3Q 4Q 1Q 2					3Q	4Q	10		
1. Portfolio:			i	millions o	of dollars			-		
(a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (i) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares	7 1 18 7 46 444	7 1 20 10 56 477	5 1 17 10 37 505	4 18 60 43 491	3 14 61 45 558	4 1 8 61 47 591	5 1 8 60 47 608	61		
() - rotation and common shales	17	17	19	21	22	22	21	2		
Total portfolio at market	540	589	594	637	703	734	750	79		
2. Total portfolio at cost (Item 5-Table 5)	347	389	385	402	399	409	417	43		
3. Unrealized appreciation (Item 1 minus 2)	193	200	209	235	304	325	333	36		
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 5 plus item 3-Table 5 A)	568	609	615	656	722	762	775	83		

#### CONTENT OF GROUPS

#### **Trust Companies**

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

#### Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

#### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication, Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in Credit Statistics and in this publication.

#### **Mutual Funds**

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, non-resident owned funds in which the Canadian public cannot purchase shares, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

#### Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group Because of the various degrees between these two objectives - investment or control - and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

#### DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

#### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

#### Item 11 - Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12-Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 21 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

#### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

#### B. Sales Finance and Consumer Loan Companies

#### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit* 

Statistics contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in Credit Statistics. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

### Item 11 – Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

#### Item 13 - Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments

#### Item 15-Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily witholds part of the purchase price. This item represents the total amount so withheld.

#### Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### C. Mutual Funds and Closed-end Funds

#### Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

#### QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

#### OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

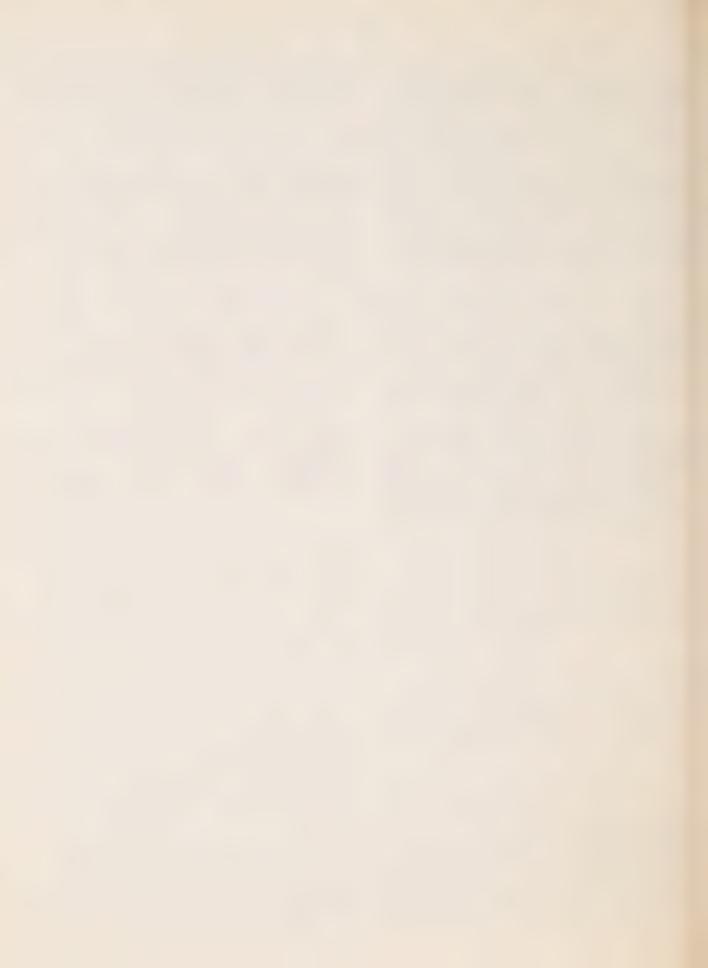
Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual) Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual) Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly) Dominion Bureau of Statistics Credit Statistics (monthly)

Financial Post Survey of Industrials (annual) Financial Post Survey of Investment Funds (monthly)







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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
SECOND OUARTER 1965



Published by Authority of The Minister of Trade and Commerce

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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

#### SECOND QUARTER 1965

#### INTRODUCTION

The survey, which was initiated in 1961, is designed to provide up-to-date information for major industry groups on the assets employed, liabilities incurred and the use of shareholders' equity. The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

#### TABLE 1. Trust Companies

		1962			19	63		1964					35
	2Q	3Q	4Q	1@	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	1			L	1	million	s of do	llars	l				
Assets						}							
1. Cash on hand and on deposit:													
(a) In Canadian dollars:				1									
(i) Cash and bank deposits	34	26	46	63	65	45	60	37	45	41	65	45	58
(ii) Cash in other institutions	2	1	1	2	4	4	3	4	2	2	4	4	2
(b) In foreign currency	22	8	7	8	8	4	8	3	9	6	13	1	2
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	7	10	18	8	5	15	27	15	7	6	17	12	10
(ii) Other Government of Canada debt	288	290	281	284	302	288	291	336	323	339	366	372	370
(iii) Provincial government debt	136	131	136	145	164	160	154	166	162	155	163	188	196
(iv) Municipal government debt	86	87	94	105	109	115	114	126	129	124	129	139	136
(v) Short-term notes of finance and other companies	145	159	122	201	205	218	108	234	261	225	152	303	340
(vi) Corporation and institution bonds	137	132	140	156	172	188	196	207	207	210	214	210	241
(vii) Mortgage loans and sales agreements	744	810	845	900	968	1,039	1, 103	1,175	1, 259	1,340	1,422	1,515	1,656
(viii) Collateral loans	68	70	83	77	74	86	123	96	106	102	96	145	99
(b) Investments in Canadian preferred and common stocks	57	60	63	75	67	66	65	68	71	65	68	68	77
(c) Investments in foreign securities	6	6	6	6	4	4	4	8	4	4	6	7	7
(a) Investments in subsidiary and associated companies	7	8	9	8	9	10	10	10	11	12	16	17	16
4. Real estate and equipment	28	28	31	32	32	34	36	38	39	40	39	41	42
5. Other assets	12	13	13	18	18	17	18	18	20	19	20	20	23
Total assets <sup>1</sup>	1,779	1,839	1, 894	2,088	2, 205	2, 293	2, 321	2,541	2,656	2,692	2,789	3,087	3, 277
Liabilities													
		1											
11. Demand deposits and demand certificates (a) Chequable <sup>2</sup>	> 612	588	610	381	406	432	451	441	462	475	506	515	567
(b) Non-chequable <sup>2</sup>	IJ			275	307	357	368	446	464	487	544	554	580
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	974	1.040	1.094	1,203	1,254	1,278	1, 279	1.405	1.462	1.447	1.478	1.710	1, 798
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	10	10	2	3	3	3	2	2	1 4	8	5	5	7
(b) Other loans and notes payable		27				24	17	25	37	36	11	47	66
							1	i	1				
15. Other liabilities	3	3	2	5	4	4	4	4	4	5	5	7	4
Shareholders' equity													
20. General, investment and special reserves	93	93	102	105	106	108	115	118	123	126	134	135	139
21. Paid-in capital	60	60	62	66	66	68	71	76	80	83	84	88	89
30. Net accruals, payables and retained income <sup>1</sup>		18	14		16	1	15	24	21	25	22	27	26
Total liabilities and shareholders' equity <sup>1</sup>	1,779	1, 839	1,894	2,088	2,205	2, 293	2, 321		2,656	1	2. 789	3, 087	3, 277
		1			1,400	7, 200	4, 341	7, 371	, 555	3,000	2, 103	3, 301	I

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

<sup>2</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.

#### TABLE 2. Mortgage Loan Companies

			1962			11	963	Equit,			1965			
			1002	Ţ		1.	700				964		18	165
		2Q	3Q	4Q	10	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	Assets		1	1	1	1	millio	ns of d	ollars	1	-			
	ash on hand and on deposit:													
	ash on hand and on deposit.													
(,	(i) Cash and bank deposits	17	17	23	14	15	15	10	01	10				
	(ii) Cash in other institutions	1	4	5	3	15	15	17	21	19	67	52	37	41
(1	o) In foreign currency						3	3	0	10	9	12	8	8
. Tı	nyestments:													
	a) Investments in Canadian securities:													
	(i) Government of Canada treasury bills		3	2	2	4	1	3	2	12	7	3	8	5
Val.	(ii) Other Government of Canada debt	95	89	91	103	119	122	104	102	103	118	117	124	116
	(iii) Provincial government debt	32	31	31	35	36	38	35	37	41	41	42	44	46
	(iv) Municipal government debt	9	8	8	7	7	8	8	8	9	9	11	10	10
	(v) Short-term notes of finance and other companies	5	8	4	17	7	4	4	6	6	11	7	12	3
	(vi) Corporation and institution bonds	15	14	14	18	20	20	25	24	24	26	26	33	28
	(vii) Mortgage loans and sales agreements	898	946	989	1,029	1,078	1,140	1, 188	1, 242	1,314	1,387	1,469	1,575	1,676
	(viii) Collateral loans	13	22	18	15	12	12	13	12	10	11	13	10	10
. (1	o) Investments in Canadian preferred and common stocks	36	37	38	43	45	49	52	51	54	56	56	56	61
(0	2) Investments in foreign securities	6	6	6	11	7	4	4	14	7	4	4	4	4
(0	1) Investments in subsidiary and associated companies	33	34	36	40	41	41	43	43	44	44	45	2044	2014
. R	eal estate and equipment	26	26	28	31	33	33	36	36	37	40	42	44	44
. 0	ther assets	8	7	7	9	8	8	8	12	13	10	9	12	18
-	Total assets <sup>1</sup>	1, 194	1, 253	1, 300	1, 376	1, 436	1, 497	1, 544	1, 615	1, 702	1,841	1, 908	2, 178	2, 271
	Liabilities													
. D	emand deposits and demand certificates (a) Chequable <sup>2</sup>	208	203	205	131	138	143	139	142	147	149	154	151	157
F	(b) Non-chequable <sup>2</sup>	] 200	200	200	84	102	113	121	133	145	155	166	179	187
ı. T	Perm deposits, guaranteed investment certificates, instalment certificates and debentures	690	734	763	788	811	823	845	862	905	949	980	1,013	1,034
	hort-term loans and notes payable:  a) Bank loans and overdrafts	7	12	14	16	18	20	20	22	34	13	17	20	37
	b) Other loans and notes payable	4	4	4	1	1	3	4	6	10	64	69	74	81
		110	120	136	158	166	185	200	214	226	263	276	4704	4934
, 0	ther liabilities <sup>3</sup>	110	120	100	200									
	Shareholders' equity													
, G	eneral, investment and special reserves	74	75	78	79	84	85	87	88	90	91	96	96	102
	aid-in capital	55	56	57	65	65	72	80	91	95	95	99	113	117
		45	49	44	53	50	53	47	56	51	61	52	63	62
. 1	fet accruals, payables and retained income <sup>1</sup>												0.177	0.024
1	Total liabilities and shareholders' equity <sup>1</sup>	1, 194	1, 253	1, 300	1, 376	1, 436	1, 497	1, 544	1, 615	1, 702	1, 841	1, 908	2, 178	2, 271

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, didends and other payables, and retained income.

<sup>1</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.

<sup>3</sup> Consists mainly of long-term debentures and notes.

<sup>4</sup> These items are affected by changes in inter-company accounts of affiliated companies.

#### TABLE 3. Sales Finance and Consumer Loan Companies

Estimated Assets Liabilities and Shareholders' Equity

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity													
		1962			19	963			196	34		19	965
	2ର୍	3Q	4Q	10	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	205
						millio	ons of do	ilars					
Assets		1	A /										
1. Cash on hand and on deposit:  (a) In Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) In foreign currency	22	26	28	19 1 8	27	26 7	27 4 8	38 2 9	36 1 11	40 3 13	43 2 13	41 11 14	41
	2,225			2,457		2,567	2,751	2,901	3,130	3,085	3,202	3,367	3,602
3. Other current assets	4	4	4	4	4	4	5	6	6	8	10	6	7
4. Investments and advances: (a) Investments in Canadian securities: (i) Short-term notes of finance and other companies	17	13	16	10	16	7	7	8	5	7		12	14
(ii) Government of Canada treasury bills	18 16	19 35	17 42	20 34	14 29	14	5 18	6	11 27	13 29	6 9	11 16	17
(iii) Other Government of Canada debt	17 5	13	9 6	26 10	25 12	69 16	43 15	53 20	58 23	38 16	59 11	60 18	58 17
stocks	5	5	10	13	11	12	13	13	27	23	15	13	15 1
(c) Investments in foreign securities(d) Investments in subsidiary and associated companies	172	197	195	211	229	221	252	266	218	267	273	276	242
5. Property, plant and equipment	16	16	16	17	18	18	18	23	32	32	31	34	33
6. Other assets	15	16	18	17	17	17	20	22	24	24	25	33	34
Total assets	2,560	2,561	2,726	2,849	3, 005	2,986	3, 191	3, 382	3, 610	3, 597	3, 700	3, 912	4, 1055
Liabilities													
11. Owing parent and associated companies	434	417	464	463	480	460	486	488	444	449	452	495	619
12. Short-term loans and notes payable:  (a) Bank loans and overdrafts(b) Demand and short-term notes payable (Canadian	233	198	212	192	194	190	259	230	244	204	234	213	307
dollars)	540	570	582	694	714	694	744	887	1,042	908	871	981	993
(c) Demand and short-term notes payable (foreign currency) <sup>1</sup>	39 2	38	88	78 2	102	105		159 2	181	255	279	261 16	189 2
13. Accounts payable: (a) Income and other taxes payable (b) Other payables	19 34	19 30	17 30	20 32	20 44	24 34	22 38	24 46	23 53	26 63	22 61	25 69	16 87
14. Other current liabilities:  (a) Dealers' credit balances  (b) Other current liabilities	45 3	46 4	43	43 4	45 4	47 5	45 5	44 5	47 6	48	46 7	44 7	47
<ul> <li>15. Long-term debt: <ul> <li>(a) Debentures, bonds and notes (Canadian dollars)²</li> <li>(b) Debentures, bonds and notes (foreign currency)²</li> <li>(c) Mortgages and other long-term debt</li> </ul> </li> </ul>	} 712 4	723 2	758 2	566 210 3	584 240 3	609 225 4	243	627 249 3	638 265 6	682 269 6	735 289 6	768 308 6	831 273 8
16. Other liabilities:  (a) Unearned income and other deferred credits  (b) Pensions, trust or earmarked funds  (c) Interest of minority shareholders		157 1 1	159	159 1 1	174 1 1	179 1 1	183 1 1	183 1 2	204	213 1 2	217 1 1	217 1 2	228 3
Shareholders' equity													
20. Paid-in capital		208	223	234	246	248		259	272	275	286		307
21. Retained income		145		147	151	159				187			
Total liabilities and shareholders' equity	2,560	2, 561	2,726	2,849	3, 005	2,986	3, 191	3,382	3,610	3,597	3, 700	3, 912	4, 105
* Footnote:	1	i					1	A	1		1	1	
(a) Specified receivables:  Sales finance companies:  Consumer goods	782	798	801	799	865	878	874	886	962	987	967	958	1,029
Commercial and industrial goods Wholesale goods	423	445 143	440	448 305	490 279		520	513 415	555	579 243	582		629 408
Totals				1,552		i i	1						2, 066
Consumer loan companies: Instalment credit. Cash loans	42	49	52	51	53	,55	55	46	49	52	54	57	63 908
Totals		631 680	i	675 726								1	
											1	922	
(b) Other receivables		176		218				336		461	545		623
Total receivables		1		2, 496		1							3,660
Total receivables (net)	2, 225	2, 205		2,457				2 901			- 50		
	1	1	1,000	L	4,000	2,301	4, 101	2, 901	3, 130	3, 085	3, 202	3, 301	3,0

<sup>1</sup> Includes foreign bank loans.
2 Breakdown between Canadian and foreign debt was not available prior to 1963.
3 Detail of "Specified Receivables" is taken from DBS publication, \*Credit Statistics\* (Catalogue No. 61-004).
4 "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.
5 Includes outstanding liabilities in default of one company which went into receivership and also reflects the reorganization of a company with its U.S.

TABLE 4. Mutual Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		1963			19		19	965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
				millio	ns of do	llars			
Assets	1								
1. Cash on hand and on deposit:  (a) Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) Foreign currency	. 3	11 3 3	9 1 2	10 3 2	16 3 2	17 2 2	18 5 2	24 3 1	23 5 2
2. Short-term notes and bills:  (a) Government of Canada treasury bills  (b) Canadian short-term notes of finance and other companies  (c) Foreign short-term notes	. 4	4 7	4 5	4 3	10 1	4 39 3	4 43 1	2 48 3	3 32 1
3. Interest and dividends due and accrued	. 5	5	6	6	7	6	7	7	8
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14	12
5. Portfolio at cost (see also Table 4 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:	. 29 . 36 . 5	58 28 38 6 3	58 31 40 6 11	58 31 45 7 19	64 28 41 9 27	65 32 41 10 5	68 42 44 12 9	72 53 56 12 13	64 54 62 12
(i) Preferred shares (ii) Common shares (c) Investments in foreign securities (i) Bonds, debentures, mortgages, etc.	. 500	60 507 2	64 518	67 530	71 551 6	71 578 4	72 623 5	78 666 5	91 731 4
(ii) Preferred and common shares	. 144	152	151	152	162	171	178	206	245
Total portfolio at cost		854	889	919	959	977	1,053	1,161	1,273
(d) Investments in subsidiary companies									
6. Property, buildings and equipment									
7. Other assets		894	920	956	1.006	1,060	1.140	1.263	1.357
Liabilities		00 %							, -,
11. Short-term loans:  (a) Bank loans in Canadian currency  (b) Other loans payable	. 1	3	2	1	2	1 1	1 1	1	1 1
12. Accounts payable: (a) Income and other taxes payable	. 1	1 11	1 6	1 6	1 9	1 11	1 10	1 27	19
13. Long-term debt	. 1	1	1	1	1	1	1	1	1
14. Other liabilities				1		1			1
Shareholders' equity				1					
0. Paid-in capital	. 795	820	845	873	914	963	1,040	1,133	1,215
21. Reserves: (a) Investment reserves (b) Other reserves	5	5	6	7	6	7	7	8	9
22. Retained income		53	60 920	66	73 1.006	75	79	91	110
		894		956					

TABLE 4 A. Investment Portfolio at Market Value

THE TAX ANY OF THE PARTY OF THE									
		1963			19	19	965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
				millio	ns of do	llars			
1. Portfolio:									
(a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments	61 29 37 5 3	58 28 40 6 4	58 30 42 7 11	58 31 47 7 20	64 28 45 9 28	65 32 41 10 5	69 42 44 12 9	73 53 57 12 13	64 54 62 12 10
(b) Investments in Canadian stocks: (i) Preferred shares (ii) Common shares	55 637	62 650	67 676	70 716	75 779	75 843	76 891	80 972	92 981
(c) Investments in foreign securities: (i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares	2 169 <b>998</b>	178 1.028	10 183 1,084	10 192 1,151	205 1,239	220 1,295	5 227 1,375	5 263 1,528	287 1,566
Total portfolio at market  2. Total portfolio at cost (Item 5 - Table 4)	832 166	854 174	889 195	919 232	959 280	977 318		1,161 367	1,273 293
3. Unrealized appreciation (Item 1 minus 2)	1,029	1,068	1, 115	1,188	1,286	1,378	1,462	1,630	1,650

#### TABLE 5. Closed-end Funds

Assets			1963			19		196	65	
Cash on hand and on deposit: (a) Cash on hand and on deposit: (a) Cash on hand and on deposit: (b) Cash on hand and on deposit: (c) Cash on hand and on deposit: (d) Cash on hand and on deposit: (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and on her lastitudes (e) Cash on hand and hand and on her lastitudes (e) Cash on hand and hand h		2Q	3Q	4Q	1Q	2Q	3Q	4Q	10	2Q
1. Cash on hand and on deposit:   (a) Canadian dollars:   (b) Cash and bank deposits   1					millio	ns of do	llars			
(a) Canadian dollats: (1) Cash and bank deposits (1) Cash and bank deposits (1) Cash and bank deposits (2) Stort-term notes and bilis: (3) Consolinal short-term notes of finance and other companies (4) Consolinal short-term notes of finance and other companies (5) Consolinal short-term notes of finance and other companies (6) Consolinal short-term notes of finance and other companies (7) Consolinal short-term notes of finance and other companies (8) Consolinal short-term notes of finance and other companies (8) Consolinal short-term notes of finance and other companies (8) Consolinal short-term notes of finance and other companies (9) Consolinal short-term notes of finance and other companies (1) Canadian short-term notes of finance and other companies (1) Total short during the short of	Assets		1			1			i	
(a) Government of Canada treasury bills (b) Canadian short-term notes of finance and other companies	(a) Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions		2 1	1		1 1	1 3	2 2	2 3	2 2
3. Interest and rutents used as a content assets   1	(a) Government of Canada treasury bills (b) Canadian short-term notes of finance and other companies (c) Foreign short-term notes	8	3	3	1	2	6		20	2 9
A. Amount due to obtain a subset of the control o	3. Interest and dividends due and accrued	1	1	1	1		1			1
(a) Investments in Canadia bonds: (1) Government of Canada eebt (1) Provincial and municipal debt (1) Frovincial and municipal debt (1) Frovincial and municipal debt (1) Frovincial and municipal debt (1) Corporate bonds and debentures (1) Obter Canadian investments (2) Obter Canadian investments (3) Obter Canadian investments (4) Obter Canadian investments (5) Obter Canadian investments (6) Investments in Canadian stocks: (7) 10 10 60 61 61 60 60 58 (7) Obter Canadian investments (8) Obter Canadian investments (1) Preferred shares (1) Common shares (2) 299 314 275 275 287 295 309 309 309 (2) Obter Canadian contested to the contest of the conte	4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2 .	1
(b) Investments in Canadian stocks:	(a) Investments in Canadian bonds: (i) Government of Canada debt (ii) Provincial and municipal debt (iii) Corporate bonds and debentures	1 15	1 16	13	14	11	1 8	8	1 7	1
Total portfolio at cost	(b) Investments in Canadian stocks:  (i) Preferred shares (ii) Common shares (c) Investments in foreign securities: (i) Bonds, debendures, mortgages, etc.	37 269	299	314	275	275	287	295	309	309
(d) Investments in subsidiary companies     14     11     12     2     2     1     1     1     2     2     2     1     1     1     2     2     2     1     1     1     2     2     2     3     44     471     442     474     471       Liabilities       Liabilities       11. Short-term loans: <ul> <li>(a) Bank loans in Canadian currency</li> <li>(a) Bank loans in Canadian currency</li> <li>(a) Bank loans in Canadian currency</li> <li>(a) 1</li> <li>(b) Amount due brakers payable</li> <li>(a) 1</li> <li>(b) Amount due brakers and other taxes payable</li> <li>(a) 1</li> <li>(b) Amount due brakers and other payables</li> <li>(a) 2</li> <li>(a) 3</li> <li>(b) Amount due brakers and other payables</li> <li>(a) 2</li> <li>(a) 3</li> <li>(a) 2</li> <li>(a) 3</li> <li>(a) 2</li> <li>(a) 3</li> <li>(a) 2</li> <li>(a) 3</li> <li>(a) 2</li> <li>(a) 3</li></ul>				385	402	399	409	417	432	439
Comparison of the property in the property of the property o			11	11	11	11	11	11	11	14
8. Total assets at cost										
8. Total assets at cost	7. Other assets	1 1	2	2	2	1	1	1	2	2
11. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable (a) Income and other taxes payable (a) Income and other taxes payable (b) Amount due brokers and other payables (b) Amount due brokers and other payables (c) Amount due brokers and other payables (d) Amount due brokers and other payables (e) Amount due brokers and other payables (f) Amount due brokers and other payables (g) Income and other taxes payable (g) Amount due brokers and other payables (g) Amount			409	406	421	418	437	442	474	471
11. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable  12. Accounts payable: (a) Income and other taxes payable (b) Amount due brokers and other payables (b) Amount due brokers and other payables (c) Amount due brokers and other payables (d) Amount due brokers and other payables (e) Amount due brokers and other payables (f) Amount due brokers and other payables (g) Amount due b	Liabilities									
(a) Income and other taxes payable (b) Amount due brokers and other payables 3 2 2 3 2 3 2 3 3 3 3 3 3 3 3 3 3 3 3 3	11. Short-term loans: (a) Bank loans in Canadian currency		30 1						43	6 4
14. Other liabilities 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(a) Income and other taxes payable	3	2	2	3	2	3	2	3	3
Shareholders' equity  20. Paid-in capital	13. Long-term debt	32	32	32	32	32	32	32	32	31
20. Paid-in capital     195     199     201     201     202     205     208     228       21. Reserves: <ul> <li>(a) Investment reserves</li> <li>(b) Other reserves</li> <li>1</li> <li>22. Retained income</li> <li>46</li> <li>47</li> <li>48</li> <li>49</li> <li>51</li> <li>54</li> <li>54</li> <li>55</li> <li>63</li> </ul>	14. Other liabilities	1	1	1	1	1	1	1	1	1
21. Reserves:     96     97     102     109     114     117     119     131     136       7b Other reserves     1       22. Retained income     46     47     48     49     51     54     54     55     63	Shareholders' equity									
(a) Investment reserves     96     97     102     109     114     117     119     131     136       7b Other reserves     1       22. Retained income     46     47     48     49     51     54     54     55     63	20. Paid-in capital	195	199	201	201	202	205	205	208	228
22. Retained income	(a) Investment reserves		97	102	109	114	117	119	131	136
			47	48	49	51	54	54	55	63
	Total liabilities and shareholders' equity						437	442	474	471

TABLE 5 A. Investment Portfolio at Market Value

·									
		1963			19	196	35		
	2Q 3Q 4Q			1Q	2Q	3Q	4Q	1Q	2Q
1. Portfolio:				millio	ns of do	llars			
(a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  b. Inv. timents in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (j) Bonds, debentures, mortgages etc	7 1 18 7 46 444	7 1 20 10 56 477	5 1 17 10 37 505	18 60 43 491	3 14 61 45 558	4 1 8 61 47 591	5 1 8 60 47 608	6 1 8 60 48 650	7 1 10 58 48 623
(ii) Preferred and common shares  Total portfolio at market	17 540	17 589	19 <b>594</b>	21 637	22 703	22 734	21 750	23 796	23 771
Total portfolio at cost (Item 5-Table 5)	347 193	389 200	385 209	402 235	399 304	409	417	432 364	439
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 5 plus item 3-Table 5 A)	568	609	615	656	722	762	775	838	803

## TABLE 6. Investment Dealers Quarterly Estimates of Selected Balance Sheet Items

		196	32		19	63				196	5		
		3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
						mi	llions of	dollars					
Selected assets								D				-	
. Cash on hand and on deposit:		į											
(a) In Canadian dollars:													
(i) Cash and bank deposits	***************************************	20	19	15	15	17	12	10	16	21	23	28	49
(ii) Cash in other institutions		1											
(b) In foreign currency		5	6	12	9	10	8	7	7	2	55	35	2
!. Securities owned or managed at book value:1													
(a) Investments in Canadian securities:	aammaraia1											,	
(i) Short-term notes of finance companies paper and bankers' acceptances		21	22	32	45	46	66	84	105	150	162	146	136
(ii) Government of Canada treasury bills		96	159	94	165	163	187	105	115	116	126	78	117
(iii) Other Government of Canada debt:													
(a) Term less than 3 years	***************************************	142	202	175	93	102	149	99	120	160	60	84	78
(b) Term over 3 years	***************************************	50	54	28	45	23	12	15	33	24	40	63	5
(iv) Provincial government debt		28	68	38	42	32	46	37	44	56	49	69	41
(v) Municipal government debt	*****************	14	15	18	28	16	24	37	27	33	22	28	21
(vi) Corporation and institution bonds	*******	40	47	34	48	46	52	42	38	38	49	50	53
(vii) Preferred and common stock <sup>2</sup>	***************************************	14	19	20	15	15	13	24	20	17	25	27	28
(viii) Other investments <sup>2</sup>				2	6	3					3	5	6
(b) Investments in foreign securities	**********			1	1		1	3	1	1	2	2	2
(c) Short-term loans from subsidiary and associate	ed companies	6	2	. 8	7	10	3	7	4	3	3	4	1
Total selected assets		437	615	476	518	484	573	470	531	621	619	619	540
3. Short-term loans and notes payable:	-			I									
(a) Bank loans and overdrafts in Canadian curre	ncy	224	383	215	230	209	373	221	267	318	335	295	326
(b) Short-term loans from subsidiary and associa	ted companies	6	9	5	6	7	11	8	7	9	10	7	6
(c) Other loans and notes, excluding buy-backs	*******	153	185	235	266	201	184	196	229	240	243	300	207
Total selected liabilities		382	577	456	501	417	567	426	503	567	588	602	539
4. Total securities outstanding under buy-back agr	eements	70	50	91	131	110	112	114	188	107	201	189	236

Net of short positions and excluding securities outstanding under buy-back agreements.
 Excluding investments in and loans and advances to subsidiary and associated companies.

#### CONTENT OF GROUPS

#### Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

#### Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

#### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication, Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in Credit Statistics and in this publication.

#### **Mutual Funds**

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, non-resident owned funds in which the Canadian public cannot purchase shares, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

#### Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closedend companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives - investment or control - and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

#### **Investment Dealers**

This group includes firms which act as principals in the underwriting and trading of securities. Stockbrokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

#### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

#### A. Trust Companies and Mortgage Loan Companies

#### Item 3-Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

#### Item 11 - Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 21-General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

#### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

#### B. Sales Finance and Consumer Loan Companies

#### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

#### Item 13-Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

#### Item 15-Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily witholds part of the purchase price. This item represents the total amount so withheld.

#### Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### C. Mutual Funds and Closed-end Funds

#### Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

#### Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

#### Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

#### D. Investment Dealers

#### Item 1 - Cash on hand and on deposit

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

#### Item 2 - Securities owned or managed by the firm

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

 Securities should be reported at book value.
 Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed.

  By using:
  - (a) Trade date securities are entered on the accounts on the date that a buy or sell agreement or committment was made.
  - (b) Value date securities are entered on the accounts on the date that settlement of the transactions was due.
  - (c) Delivery date securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

#### Item 3 — Short term loans and notes payable

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

## Item 4 — Securities outstanding under buy-back agreements

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

#### QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

#### OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual) Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual) Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)
Dominion Bureau of Statistics Credit Statistics
(monthly)

Financial Post Survey of Industrials (annual) Financial Post Survey of Investment Funds (annual)



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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions
THIRD OUARTER, 1965



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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

# Selected Financial Institutions THIRD QUARTER 1965

#### INTRODUCTION

The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

TABLE 1. Trust Companies
Ouarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

Quarterly Statements of Estima	teu As	sets, L		es and	Sharen	olders	Equity							
	19	62		19	63		1964					1965		
	3Q	4Q	12	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
						millio	ns of d	ollars						
Assets														
; Cash on hand and on deposit:														
(a) In Canadian dollars:														
(i) Cash and bank deposits	26	46	63	65	45	60	37	45	41	65	45	58	51	
(ii) Cash in other institutions	1	1	2	4	4	3	4	2	2	4	4	2	3	
(b) In foreign currency	8	7	8	8	4	8	3	9	6	13	1	2	6	
3. Investments:														
(a) Investments in Canadian securities:														
(i) Government of Canada treasury bills	10	18	8	5	15	27	15	7	6	17	12	10	5	
(ii) Other Government of Canada debt	290	281	284	302	288	291	336	323	339	366	372	370	367	
(iii) Provincial government debt	131	136	145	164	160	154	166	162	155	163	188	196	179	
(iv) Municipal government debt	87	94	105	109	115	114	126	129	124	129	139	136	128	
(v) Short-term notes of finance and other companies	159	122	201	205	218	108	234	261	225	152	303	340	255	
(vi) Corporation and institution bonds	132	140	156	172	188	196	207	207	210	214	210	241	247	
(vii) Mortgage loans and sales agreements	810	845	900		1,039				1,340		1,515		1,806	
(viii) Collateral loans	70	83	77	74		123	96	106	102	96	145	99	104	
(b) Investments in Canadian preferred and common stocks	60	63	75	67		65	68	. 71	65	68	68	77	76	
(c) Investments in foreign securities	6	6	6	4	. 4	10	8	4.	4	6	7	16	18	
(d) Investments in subsidiary and associated companies	8	9	8	9	10	. 10	10	11	12	16	17			
4. Real estate and equipment	28	31	32	32	34	36	38	39	40	39	41	42	42	
5, Other assets	13	13	18	18	17	18	18	20	19	20	20	23	22	
Total assets <sup>1</sup>	1, 839	1,894	2, 088	2, 205	2, 293	2, 321	2, 541	2, 656	2, 692	2, 789	3,087	3, 277	3,316	
Liabilities														
11. Demand deposits and demand certificates (a) Chequable <sup>2</sup>	1		381	406	432	451	441	462	475	506	515	567	549	
(b) Non-chequable <sup>2</sup>	3 588	610	275	307	357	368	446	464	487	544	554	580	557	
12. Term deposits, guaranteed investment certificates, instalment			1											
certificates and debentures	1,040	1,094	1,203	1,254	1,278	1,279	1,405	1,462	1,447	1,478	1,710	1,798	1,874	
13. Short-term loans and notes payable:														
(a) Bank loans and overdrafts	10	2	. 3	3	3	2	2	4	8	5	5	7	10	
b. Other loans and notes payable	27	7	36	42	24	17	25	37	36	11	47	66	55	
15. Other habilities	3	2	5	4	4	4	4	4	5	5	7	4	5	
Shareholders' equity														
20. General, investment and special reserves	93	102	105	106	108	115	118	123	126	134	135	139	142	
21. Paid-in capital	60	62	66	66	68	71	76	80	83	84	88	89	92	
30. Net accruals, payables and retained income <sup>1</sup>		14	14	16				21			27	26	31	
oo, Net accidats, payables and retained income	10	1.4	1.4	10	19	15	24	21	25	22	41	20	0.0	

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

<sup>2</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.

TABLE 2. Mortgage Loan Companies Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

-	Quarterly Statements of Esti	nated A	ssets,	Liabil	irtes ar	nd Shar	eholder	rs' Equ	ity		1			
		19	62	,	196	33			196	34			1965	
		3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	Assets						millio	ons of	dollars					
									İ					
	Cash on hand and on deposit:										1			
	(a) In Canadian dollars:  (i) Cash and bank deposits	17	23	14	15	15	. 177	21	10	67	52	0.77	41	20
	(ii) Cash in other institutions	4	5	14	15	15	17	21	19	91	12	37	41	38 5
	(b) In foreign currency	7	J	J	3	3	٥	U	10	3	14	0	0	J
							e.							
	Investments:													
	(a) Investments in Canadian securities:	9	9		4	,	,	2	12	7	3	8	5	11
	(i) Government of Canada treasury bills	89	91	103	119	122	104	102	103	118	117	124	116	102
	(ii) Other Government of Canada debt	31	31	35	36	38	35	37	41	41	42	44	46	44
	(iii) Provincial government debt	8	8	7	7	8	8	8	9	9	11	10	10	10
	(v) Short-term notes of finance and other companies	8	4	17	7	4	4	6	6	11	7	12	3	5
	(vi) Corporation and institution bonds	14	14	18	20	20	25	24	24	26	26	33	28	27
	(vi) Mortgage loans and sales agreements	946	989		1,078							1, 575	1, 676	1,790
	(viii) Collateral loans	22	18	15	12	12	13	12	10	11	13	10	10	12
	(b) Investments in Canadian preferred and common stocks	37	38	43	45	49	52	51	54	56	56	56	61	59
	(c) Investments in foreign securities	6	6	11	7	4	4	14	7	4	4	4	4	4
	(d) Investments in subsidiary and associated companies	34	36	40	41	41	43	43	44	44	45	2044	2014	2064
	Real estate and equipment	26	28	31	33	33	36	36	37	40	42	44	44	49
	Other assets	7	7	9	8	8	8	12	13	10	9	12	18	19
			1 000	1 020	1 400	1 40%	1 544	1 015	1 702	1 9/11	1 008	2 178	2 271	2, 380
	Total assets <sup>1</sup>	1, 253	1, 300	1, 376	1, 436	1,497	1, 577	1, 010	1, 10%	1,021	1, 300	~, 110	~, ~, 1	w, 000
	Liabilities '													
11	Demand deposits and demand certificates (a) Chequable <sup>2</sup>	1		131	138	143	139	142	147	149	154	151	157	160
11.	(b) Non-chequable	203	205	84	102	113	121	133	145	155	166	179	187	191
12.	Term deposits, guaranteed investment certificates, instalment certificates and debentures	734	763	788	811	823	845	862	905	949	980	1,013	1,034	1,051
13.	Short-term loans and notes payable:													
	(a) Bank loans and overdrafts	12	14	16	18	20	20	22	34	13	17	20	37	58
	(b) Other loans and notes payable	4	4	1	1	3	4	6	10	64	69	74	81	95
	Other liabilities <sup>3</sup>	120	136	158	166	185	200	214	226	263	276	4704	4934	515⁴
			1											
	Shareholders' equity						.=		00	0.1	0.0	ne	102	105
20.	General, investment and special reserves	75	78	79	84	85	87	88	90	91	98	96	102	
21.	. Paid-in capital	56	57	65	65	72	80	91	95	95	99	113	117	128
30.	Net accruals, payables and retained income <sup>1</sup>	49	44	53	50	53	47	56	51	61	52	63	62	75
	Total liabilities and shareholders' equity <sup>1</sup>	1, 253	1, 300	1, 376	1, 436	1, 497	1,544	1,615	1,702	1,841	1,908	2, 178	2, 271	2, 380
-													.,	

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

<sup>2</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.

<sup>3</sup> Consists mainly of long-term debentures and notes.

<sup>4</sup> These items are affected by changes in inter-company accounts of affiliated companies.

## TABLE 3. Sales Finance and Consumer Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

Quarterly Statemen	1962 1963 1964  3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q										1965		
	190	52		19	63			196		-		1905	
	3Q	4Q	1Q	2Q	3Q				3Q	4Q	1Q	2Q5,6	3Q <sup>5</sup>
Anceto					1	mill	ions of	dollars	1	1	1	1	
Assets 1. Cash on hand and on deposit:													
(a) In Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions	26 1	28 1	19 1 8	27 8	26 7	27 4 8	38 2 9	36 1 11	40 3 13	43 2 13	41 11 14	14	33 1 24
2. Accounts and notes receivable*				2,595	2,567	2,751	2,901	3, 130	3,085	3, 202	3,367	3,602	3,535
4. Investments and advances:  (a) Investments in Canadian securities:  (i) Short-term notes of finance and other com-	13	16	10	16	4	7	6	5	7	10	12	14	11
panies.  (ii) Government of Canada treasury bills  (iii) Other Government of Canada debt  (iv) Other Canadian bonds and debentures  (v) Other Canadian investments	19 35 13 8	17 42 9 6	20 34 26 10	14 29 25 12	14 6 69 16	5 18 43 15	6 13 53 20	11 27 58 23	13 29 38 16	6 9 59 11	11 16 60 18	17 9 58 17	12 17 23 28
(b) Investments in Canadian preferred and common stocks (c) Investments in foreign securities (d) Investments in subsidiary and associated com-	5 4	10	13	11 1	12	13 4 252	13 1 266	27 1 218	23	15 1 273	13 1 276	15 1 242	15 1 268
panies	197	195 16	211	229	221	18	23	32	32	31	34	33	36
5. Property, plant and equipment 6. Other assets	16	18	17	17	17	20	22	24	24	25	33	34	34
Total assets	2, 561	2, 726	2,849	3,005	2,986	3, 191	3, 382	3,610	3, 597	3,700	3,912	4, 1055,6	4,0455
Liabilities													
11. Owing parent and associated companies	417	464	463	480	460	486	488	444	449	452	495	619	600
12. Short-term loans and notes payable: (a) Bank loans and overdrafts	198	212	192	194	190	259	230	244	204	234	213	307	393
(b) Demand and short-term notes payable (Canadian dollars)	570	582	694	714	694	744	887	1.042	908	871	981	993	839
(c) Demand and short-term notes payable (foreign currency) <sup>1</sup>	38	88	78 2	102	105 2	113 2	159 2	181	255 1	279 3	261 16	189	216 2
13. Accounts payable: (a) Income and other taxes payable (b) Other payables	19	17	20 32	20 44	24 34	22 38	24 46	23 53	26 63	22 61	25 l 69	16 87	20 65
14. Other current liabilities: (a) Dealers' credit balances (b) Other current liabilities	46	43	43	45 4	47 5	45	44 5	47	48	46	44	47	50 5
15. Long-term debt: (a) Debentures, bonds and notes (Canadian dollars) <sup>2</sup> (b) Debentures, bonds and notes (foreign currency) <sup>2</sup> (c) Mortgages and other long-term debt	723	758 2	566 210 3	584 240 3	609 225 4	622 243 4	627 249 3	638 265 6	682 269 6	735 289 6	768 308 6	831 273 8	844 253 9
16. Other liabilities:  (a) Unearned income and other deferred credits (b) Pensions, trust or earmarked funds (c) Interest of minority shareholders	157 1 1	159	159 1 1	174 1 1	179 1 1	183 1 1	183 1 2	204 1 2	213	217	217 1 2	228	239
Shareholders' equity			l										\$
20. Paid-in capital	208	223	234	246	248	261	259	272	275	286	305	307	313
21. Retained income	145	140		151	159	163	173	178	187	190	195	188	195
Total liabilities and shareholders' equity	2, 561	2,726	2, 849	3,005	2,986	3, 191	3,382	3, 610	3,597	3,700	3,912	4, 1055,6	4, 0455
* Footnote:													
(a) Specified receivables³ Sales finance companies: Comsumer goods	798	801	799	865	878	874	903	996	1,038	1,035	1,023	1,099	1,136
Commercial and industrial goods Wholesale goods	143	440 240	305	490 279	514 174	520 301	514 418	557 413	582 251	586 268	583 383	634 423	655 278
Totals	1,386	1,481	1,552	1,634	1, 566	1,695	1,835	1,966	1,871	1,889	1,989	2, 156	2,069
Consumer loan companies: Instalment credit Cash loans	49 631	52 662		53 709	55 729	55 755	47 751	49 788	52	54 850	57 868	63 912	65 929
Totals	680	714	726	762	784	810	798	837	866	904	925	975	994
the therm bivables4	176	208	218	241	261	288	313	375	397	459	506	529	532
I otal receivables			2, 496	2, 637	2,611	2, 793	2,946	3, 178	3, 134	3, 252	3,420	3,660	3,595
All tange for paid delts	- 37	1		- 42	- 44	- 42	- 45	- 48	1	- 50	- 53	- 58	- 61
1 Includes some favoien book learn min to	2,205	2, 365	2, 457	2, 595	2,567	2, 751	2,901	3, 130	3,085	3, 202	3, 367	3,602	3,534

Includes some foreign bank loans prior to second quarter, 1965.

Breakdown between Canadian and foreign debt was not avaible prior to 1963.

Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004). Figures for 1964/65 are revised in this publication.

"Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

Includes outstanding liabilities in default of one company which went into receivership.

Reflects the reorganization of a company with its U.S. parent.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

-											
			1963			19	64			1965	
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	Assets				n	illions	of dollar	'S			
1	. Cash on hand and on deposit:										
	(a) Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) Foreign currency	10 3 1	11 3 3	9 1 2	10 3 2	16 3 2	17 2 2	18 5 2	24 3 1	23 5 2	24 7 4
	Short-term notes and bills:  (a) Government of Canada treasury bills (b) Canadian short-term notes of finance and other companies (c) Foreign short-term notes	4 4 1	.4	4 5	4 3	10 1	4 39 3	4 43 1	2 48 3	3 32 1	38 2
	. Interest and dividends due and accrued	5	5	6	6	7	6	7	7	8	9
	Amount due from brokers and other current assets	3	6	5	8	5	. 10	7	14	12	9
5	Portfolio at cost (see also Table 4 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:	60 29 36 5 3	58 28 38 6 3	58 31 40 6	58 31 45 7 19	64 28 41 9 27	65 32 41 10 5	68 42 44 12 9	72 53 56 12 13	64 54 62 12 10	69 49 62 12 19
	(i) Preferred shares (ii) Common shares	53 500	60 507	64 518	67 530	71 551	71 578	72 623	78 666	91 731	107 745
	(i) Nording Shares (c) Investments in foreign securities: (i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares	2 144	2 152	10 151	10 152	6 162	578 4 171	5 178	5 206	4 245	745 4 275
	Total portfolio at cost	832	854	889	919	959	977	1,053		1,273	1.342
	(d) Investments in subsidiary companies										
6	. Property, buildings and equipment										
7	Other assets										
8	. Total assets at cost	863	894	920	956	1,006	1,060	1,140	1,263	1,357	1,436
	Liabilities										
11	. Short-term loans:  (a) Bank loans in Canadian currency  (b) Other loans payable	1	3	2	1	2	1 1	1 1	1 1	1 1	1
12	. Accounts payable: (a) Income and other taxes payable	1	1	1	1	1	1	1	1	1	1
	(b) Amount due brokers and other payables	5	11	6	6	9	11	10	27	19	12
13	. Long-term debt	1	1	1	1	1	1	1	1	1	1
14	Other liabilities	1			1		1			1	1
	Shareholders' equity										
20	. Paid-in capital	795	820	845	873	914	963	1,040	1, 133	1,215	1,296
21	Reserves: (a) Investment reserves (b) Other reserves	5	5	6	7	6	7	7	. 8	9	11 1
22	. Retained income	54	53	60	66	73	75	79	91	110	112
	Total liabilities and shareholders' equity	863	894	920	956	1,006	1,060	1,140	1,263	1,357	1,436
				J —— —							

TABLE 4 A. Investment Portfolio at Market Value

		1963			19	64			1965	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
				п	illions	of dollar	S			
1. Portfolio:  (a) Investments in Canadian bonds: (i) Government of Canada debt (ii) Provincial and municipal debt (iii) Corporate bonds and debentures (iv) Mortgages and agreements of sale (v) Other Canadian investments (b) Investments in Canadian stocks:	61 29 37 5 3	58 28 40 6 4	58 30 42 7 11	58 31 47 7 20	64 28 45 9 28	65 32 41 10 5	69 42 44 12 9	73 53 57 12 13	64 54 62 12 10	106
(i) Preferred shares (ii) Common shares (c) Investments in foreign securities: (i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares  Total portfolio at market	637 2 169 998	650 2 178 1,028	10 183 1,084	716 10 192 1,151	779 6 205 1,239	843 220 1,295	5 227 1,375	972 5 263 1,528	981 4 287 1,566	1,016 3 347 1,682
2. Total portfolio at cost (Item 5 - Table 4) 3. Unrealized appreciation (Item 1 minus 2)	832 166	854 174	889 195			977 318	1,053 322		293	1,342 340
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 4 plus item 3-Table 4 A)	1,029	1,068	1,115	1,188	1,286	1,378	1,462	1,630	1,650	1,776

TABLE 5. Closed-end Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965			
		1963			19	54			1965		
	2ର	3Q	40	1Q	2Q	30	4Q	1Q	2ର	3ତ୍	
					millions	of dolla	ars				
Assets	i			1			1				
1. Cash on hand and on deposit:  (a) Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions  (b) Foreign currency	1	2	1 1	2	1	1 3	2 2	2 3	2 2	2 2	
2. Short-term notes and bills:  (a) Government of Canada treasury bills	1 8	3	3	1	2	6	4	20	2 9	1 30	
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1	1	1	
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2	1	1	
5. Portfolio at cost (see also Table 5 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (y) Other Canadian investments	7 1 15 7	7 1 16	5 1 13	4 14 60	3 11 61	4 1 8	5 1 8	6 1 7 60	7 1 10 1 58	6 1 10 55	
(b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (i) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares	37 269	44 299 1 11	29 314	34 275	34 275	33 287	33 295 15	32 309	33 309 1 19	34 316 1 24	
Total portfolio at cost	347	389	385	402	399	409	417	432	439	447	
(d) Investments in subsidiary companies	14	11	11	11	11	11	11	11	14	14	
6. Property, buildings and equipment	_ ^ _	1	1								
7. Other assets	1	2	2	2	1	1	1	2	2	4	
8. Total assets at cost	375	409	406	421	418	437	442	474	471	503	
	0.0	100	200	177		10.					
Liabilities  11. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable	1 1	30	19	25 1	2 15	2 24	5 24	43	6 4	6 3	
12. Accounts payable:  (a) Income and other taxes payable  (b) Amount due brokers and other payables	3	2	2	3	2	3	2	3	3	4	
13. Long-term debt	32	32	32	32	32	32	32	32	31	30	
14. Other liabilities	1	1	1	1	1	1	1	1	1	1	
Shareholders' equity 20. Paid-in capital	195	199	201	201	202	205	205	208	228	257	
21. Reserves: (a) Investment reserves (b) Other reserves	96	97	102	109	114	117	119	131	136	136	
22. Retained income	46	47	48	49	51	54	54	55	63	64	
Total liabilities and shareholders' equity	375	409	406	421	418	437	442	474	471	503	

TABLE 5 A. Investment Portfolio at Market Value

		1963			190	54			1965				
	2Q	3Q	40	1ର	20	30	4Q	16	20	3Q			
1. Portfolio:					millions	of dolla	ars						
(a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt.  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian stocks:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:	7 1 18 7 46 444	7 1 20 10 56 477	5 1 17 10 37 505	4 18 60 43 491	3 14 61 45 558	4 1 8 61 47 591	5 1 8 60 47 608	6 1 8 60 48 650	7 1 10 58 48 623	6 1 10 55 45 622			
(i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares	17	17	19	21	22	22	21	23	23	34			
Total portfolio at market	540	589	594	637	703	734	750	796	771	774			
2. Total portfolio at cost (Item 5-Table 5)	347	389	385	402	399	409	417	432	439	447			
3. Unrealized appreciation (Item 1 minus 2)	193	200	209	235	304	325	333	364	332	327			
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 5 plus item 3-Table 5A)	568	609	615	656	722	762	775	838	803	830			

## TABLE 6. Investment Dealers

Quarterly Estimates of Selected Balance Sheet Items

	19	062	52 1963				1:	964			1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
					•	mill	ions of	dollar	S				
Selected assets			•										
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	20	19	15	15	17	12	10	16	21	23	28	49	68
(ii) Cash in other institutions	1												
(b) In foreign currency	} 5	6	12	9	10	8	7	7	2	55	35	. 2	14
2. Securities owned or managed at book value:1													
(a) Investments in Canadian securities:										1			
(i) Short-term notes of finance companies, commercial													
paper and bankers' acceptances	21	22	32	45	46	66	84	105	150	162	146	136	132
(ii) Government of Canada treasury bills	96	159	94	165	163	187	105	115	116	126	78	117	75
(iii) Other Government of Canada debt:											1		
(a) Term less than 3 years	142	202	175	93	102	149	99	120	160	60	84	78	82
(b) Term over 3 years	50	54	28	45	23	12	15	33	24	40	63	5	67
(iv) Provincial government debt	28	68	38	42	32	46	37	44	56	49	69	41	49
(v) Municipal government debt	14	15	18	28	16	24	37	27	33	22	28	21	20
(vi) Corporation and institution bonds	40	47	34	48	46	52	42	38	38	49	50	53	45
(vii) Preferred and common stock <sup>2</sup>	14	19	20	15	15	13	24	20	17	25	27	28	17
(viii) Other investments <sup>2</sup>	,	,	2	6	3					3	5	6	10
(b) Investments in foreign securities			1	1		. 1	3	. 1	1	2	2	2	2
(c) Short-term loans from subsidiary and associated companies	6	2	8	7	10	3	. 7	4	3	3	4	1	1
Total selected assets	437	615	476	518	484	573	470	531	621	619	619	540	582
	- * *												
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts in Canadian currency	224	383	215	230	209	373	221	267	318	335	295	326	402
(b) Short-term loans from subsidiary and associated companies	6	9	5	6	7	11	8	7	9	10	. 7	6	12
(c) Other loans and notes, excluding buy-backs	153	185	235	266	201	184	196	229	240	243	300	207	183
Total selected liabilities	382	577	456	501	417	567	426	503	567	588	602	539	597
4. Total securities outstanding under buy-back agreements	70	50	91	131	110	112	114	188	107	201	189	236	178

Net of short positions and excluding securities outstanding under buy-back agreements.
 Excluding investments in and loans and advances to subsidiary and associated companies.

### CONTENT OF GROUPS

## Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

## Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

## Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication, Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

#### **Mutual Funds**

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, special non-resident owned funds, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

## Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closedend companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives - investment or control - and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

## Investment Dealers

This group includes firms which act as principals in the underwriting and trading of securities. Stockbrokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

### **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

## A. Trust Companies and Mortgage Loan Companies

## Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

## Item 11 - Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

## Item 21 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

## Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

## B. Sales Finance and Consumer Loan Companies

## Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 — Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were eceived from all companies.

## Item 13-Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

## Item 15-Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily witholds part of the purchase price. This item represents the total amount so withheld.

## Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

## C. Mutual Funds and Closed-end Funds

## Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

## Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc

## Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

#### D. Investment Dealers

## Item 1 - Cash on hand and on deposit

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

## Item 2 — Securities owned or managed by the firm

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

 Securities should be reported at book value.
 Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed. By using:
  - (a) Trade date securities are entered on the accounts on the date that a buy or sell agreement or committment was made.
  - (b) Value date securities are entered on the accounts on the date that settlement of the transactions was due.
  - (c) **Delivery date** securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

## Item 3 — Short term loans and notes payable

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

## Item 4 — Securities outstanding under buy-back agreements

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

## QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

## OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual) Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual) Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)
Dominion Bureau of Statistics Credit Statistics
(monthly)

Financial Post Survey of Industrials (annual) Financial Post Survey of Investment Funds (annual)

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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1965



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## BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

## Selected Financial Institutions FOURTH QUARTER 1965

## INTRODUCTION

The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

## NOTE

The tables in this report have been revised for previous periods to take into account the latest available information.

TABLE 1. Trust Companies Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962 1963				19	64		1965					
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	l	1		l		millio	ns of de	ollars					
Assets											1		
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	46	63	65	45	60	42	47	42	67	48	62	53	84
(ii) Cash in other institutions	1	2	4	4	3	4	3	3	6	4	3	3	6
(b) In foreign currency	7	8	8	4	8	3	9	6	13	1	2	6	8
3. Investments:													
(a) Investments in Canadian securities:	j												
(i) Government of Canada treasury bills	18	8	5	15	27	14	7	5	16	12	10	6	13
(ii) Other Government of Canada debt	281	284	302	288	291	338	325	343	369	377	376	370	375
(iii) Provincial government debt	136	145	164	160	154	170	166	159	168	195	204	185	193
(iv) Municipal government debt	94	105	109	115	114	128	133	129	139	147	144	135	125
(v) Short-term notes of finance and other companies	122	201	205	218	108	233	261	216	153	304	341	255	176
(vi) Corporation and institution bonds	140	156	172	188	196	203	203	213	218	216	250	256	242
(vii) Mortgage loans and sales agreements	845	900	968	1,039	1, 103	1, 184	1, 263	1, 351	1, 449	1,535	1,682	1,830	1,912
(viii) Collateral loans	83	77	74	86	123	103	116	115	110	160	114	116	118
(b) Investments in Canadian preferred and common shares	63	75	67	66	65	67	70	66	67	69	78	76	74
(c) Investments in foreign securities	6	6	4	4	4	4	4	4	6	7	7	7	5
(d) Investments in subsidiary and associated companies	9	8	9	10	10	13	13	14	18	19	18	19	18
4. Real estate and equipment	31	32	32	34	36	39	40	41	43	42	43	44	47
5. Other assets	13	18	18	17	18	16	17	17	19	17	20	21	26
Total assets <sup>1</sup>	1, 894	2,088	2, 205	2, 293	2,321	2, 559	2,676	2, 723	2,860	3, 153	3, 354	3, 382	3,422
Liabilities													
11. Demand deposits and demand certificates (a) Chequable <sup>2</sup>	1	381	406	432	451	446	468	487	513	522	576	559	558
(b) Non-chequable <sup>2</sup>	6 10	275	307	357	368	447	463	487	544	557	584	561	561
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	1, 094							1, 456	1,535	1, 758	1, 854	1,919	1, 973
13. Bank loans:				,									
(a) Bank loans and overdrafts	2	3	3	3	2	2	3	9	2	5	7	10	5
(b) Other bank loans													
14. Short-term loans and notes payable	7	36	42	24	17	24	37	37	12	47	66	55	51
16. Bonds, mortgages and other funded debt												1	1
17. Other liabilities	2	5	4	4	4	3	4	4	4	8	4	4	3
Shareholders' equity													
21. General, investment and special reserves	102	105	106	108	115	117	124	127	135	137	141	142	153
22. Paid-in capital	62	66	66	68	71	81	85	89	93	95	97	98	98
23. Net accruals, payables and retained earnings <sup>1</sup>	1	14	16	19	15	25	20	26	21	27	25	32	21
Total liabilities and shareholders' equity							2,676						
¹ Total assets excludes dividends, accrued interest, and other re	1	1	1						1	1	1		1

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

Breakdown between chequable and non-chequable accounts was not available prior to 1963.

TABLE 2. Mortgage Loan Companies Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

Assets  Assets	Quarterty Statements of Estima	1962		196			JIGOTS	196	34			196	5	
Assets  1. Cash on hand and on deposit: (a) In Canadian delians: (i) Cash in other Institutions (b) In George currency  3. Investments: (a) Investment of Canada assecrities: (b) Other Government of Canada debt (iii) Cash and the first titutions (iii) Cash in other first titutions (iii) Government of Canada assecrities: (a) Investments in Canadian securities: (b) Other Rovernment of Canada debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iii) Provincial government debt (iv) Short-term notes of finance and other companies (iv) Municipal government debt (iv) Short-term notes of finance and other companies (iv) Municipal government debt (iv) Short-term notes of finance and other companies (iv) Municipal government of finance and other companies (iv) Municipal government of finance and other companies (iv) Short-term notes of finance and other companies (iv) Municipal government of finance and other companies (iv) Short-term notes of finance and other companies (iv) Government of Canada in preferred and common shares (iv) Comporation and institution bonds (iv) Municipal government (iv) Municipal government (iv) Municipal government (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government (iv) (iv) Municipal government		1502		150				150	71			190	J	
Assets  (a) In Cannadian do deposits: (i) Cash and bank deposits. (ii) Cash in other institutions. (5 3 3 3 5 3 3 6 12 9 13 8 8 5 5 11 1 10 10 10 10 10 10 10 10 10 10 10 1		4Q	1Q	2Q	32	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
(a) In Canadian dollars:  (b) Cash and bank deposits	Assets	1		1	1		mi	illions	of dolla	ars	1	1	1	
(a) In Canadian dollars:  (b) Cash and bank deposits	1 Cash on hand and on denosit:													
(ii) Cash and bank deposits						}								
(ii) Cash in other institutions	N. C.	23	14	15	15	17	19	19	66	50	39	41	39	47
(ii) Other Government of Canada treasury bills			3	3	3	3	6	12	9	13	8	8	5	7
3. Investments:  (a) Investments in Canadian securities:  (b) Government of Canada treasury bills.  2 2 2 4 1 1 3 3 3 12 7 3 3 8 5 11  (ii) Other Government of Canada debt.  91 103 119 122 104 102 103 118 117 124 116 102 118  (iii) Provincial government debt.  31 35 36 38 35 37 41 41 42 44 46 44 30 31  (iv) Municipal government debt.  8 7 7 8 8 8 8 9 9 11 10 10 10 10 10 10 10 10 10 10 10 10								1		Ì				
(a) Investments in Canadian securities: (i) Government of Canada teasury bills 2 2 2 4 1 3 3 3 12 7 3 8 8 5 11 (ii) Other Government of Canada teasury bills 31 35 36 38 35 37 41 41 42 44 46 44 32 (iii) Provincial government debt 31 35 36 38 35 37 41 41 42 44 46 44 43 (iv) Municipal government debt 31 35 36 38 35 37 41 41 42 24 46 64 44 36 (iv) Municipal government debt 4 17 7 4 4 6 6 6 11 8 12 4 5 (vi) Short-term notes of finance and other companies 4 17 7 4 4 6 6 6 11 8 12 4 5 (vi) Corporation and institution bonds 14 18 20 20 25 24 24 25 26 26 33 32 9 28 36 (vii) Mortgage loans and sales agreements 989 1,029 1,078 1,140 1,188 1,234 1,328 1,110 1,492 1,588 1,689 1,788 1,811 (viii) Collateral loans (viii) Collateral loans 18 15 12 12 13 12 10 12 13 10 10 13 1 (v) Investments in Canadian preferred and common shares 38 43 45 49 92 5 15 53 55 65 55 61 58 65 (61 58 66 61 18 8) (vi) Investments in Grandian preferred and common shares 38 43 45 49 92 5 15 53 55 65 55 61 58 65 65 61 58 61 61 10 10 10 10 10 10 10 10 10 10 10 10 10			ļ						1					
(i) Government of Canada treasury bills			[						1					
(ii) Other Government of Canada debt		2	2	4	1	3	3	12	7	3	8	5	11	6
(iii) Provincial government debt		91	103	119	122	104	102	103	118	117	124	116	102	110
(iv) Municipal government debt		31	35	36	38	35	37	41	41	42	44	46	44	39
(v) Short-term notes of finance and other companies		8	7	7	8	8	8	9	9	11	10	10	10	10
(vi) Mortgage loans and sales agreements 989   1,029   1,078   1,140   1,188   1,234   1,328   1,410   1,492   1,588   1,689   1,788   1,811   (viii) Collateral loans		4	17	7	4	4	6	6	11	8	12	4	5	3
(vii) Collateral loans       18       15       12       12       13       12       10       12       13       10       10       13       1         (b) Investments in Canadian preferred and common shares       38       43       45       49       52       51       53       55       56       55       61       58       5         (c) Investments in foreign securities       6       11       7       4       4       14       7       4 <td>(vi) Corporation and institution bonds</td> <td>14</td> <td>18</td> <td>20</td> <td>20</td> <td>25</td> <td>24</td> <td>24</td> <td>26</td> <td>26</td> <td>33</td> <td>29</td> <td>28</td> <td>33</td>	(vi) Corporation and institution bonds	14	18	20	20	25	24	24	26	26	33	29	28	33
(viii) Collateral loans	(vii) Mortgage loans and sales agreements	989	1,029	1,078	1,140	1,188	1,254	1,328	1,410	1,492	1,588	1,689	1,788	1,817
(c) Investments in Canadian preterier and common states		18	15	12	12	13	12	10	12	13	10	10	13	19
(c) Investments in foreign securities. (d) Investments in subsidiary and associated companies. 36 40 41 41 43 47 45 49 50 268 203 200 200 204 20 204 20 200 200 200 200 2	(b) Investments in Canadian preferred and common shares	38	43	45	49	52	51	53	55	56	55	61	58	56
4. Real estate and equipment 28 31 33 33 36 37 38 41 42 43 44 48 55  5. Other assets 7 9 8 8 8 8 13 13 11 10 12 18 15 15  Total assets 1,300 1,376 1,436 1,497 1,544 1,633 1,722 1,869 1,936 2,196 2,287 2,368 2,41  Liabilities  11. Demand deposits and demand certificates (a) Chequable 2 (b) Non-chequable 3 (c) Non-chequable 4 102 113 121 133 145 155 166 179 187 191 201  12. Term deposits, guaranteed investment certificates, instalment certificates and debenures 4 12 18 19 21 22 27 42 19 25 27 44 61 19 19 19 19 19 19 19 19 19 19 19 19 19	(c) Investments in foreign securities	6	11	7	4	4	14	7	4	4	4	4	4	4
4. Real estate and equipment	(d) Investments in subsidiary and associated companies	36	40	41	41	43	47	45	49	50	206³	20 33	2003	20 1³
5. Other assets 7 9 8 8 8 8 13 13 11 10 12 18 15 17 Total assets 1,300 1,376 1,436 1,497 1,544 1,633 1,722 1,869 1,936 2,196 2,287 2,368 2,41	4. Real estate and equipment	28	31	33	33	36	37	38	41	42	43	44	48	50
Total assets   1,300   1,376   1,436   1,497   1,544   1,633   1,722   1,869   1,936   2,196   2,287   2,368   2,418		7	9	8	8	8	13	13	11	10	12	18	15	15
Liabilities  11. Demand deposits and demand certificates (a) Chequable 2 (b) Non-chequable 2 (b) Non-chequable 2 (b) Non-chequable 2 (c) Non-chequable 3 (d) Non-chequable 4 (e) Non-chequable 2 (e) Non-chequable 4 (e) Non-chequable 4 (e) Non-chequable 5 (e) Non-chequable 6 (e) Non-chequable 6 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 7 (e) Non-chequable 8 (e) Non-chequable 9 (e) Non-chequ		1 200	1 276	1 426	1 407	1 544	1 633	1 722	1 869	1 936	2.196	2.287	2.368	2.417
11. Demand deposits and demand certificates (a) Chequable 2 (b) Non-chequable 2 (c) No	Total assets <sup>1</sup>	1,300	1,370	1, 430	1,431	1,041	1,000	1, 122	1,000	2,000	2, 200			
11. Demand deposits and demand certificates (a) Chequable (b) Non-chequable (b) Non-chequable (b) Non-chequable (certificates and debentures (a) Bank loans:  (a) Bank loans and overdrafts (b) Other bank loans and notes payable (b) Other bank loans and other funded debt (c) Other liabilities (c) Shareholders' equity  12. Term deposits, guaranteed investment certificates, instalment certificates, instalment certificates, instalment (a) Bank loans and overdrafts (a) Bank loans and overdrafts (a) Bank loans and overdrafts (b) Other bank loans (c) Other	Liabilities													
(b) Non-chequable 2   50	11. Demand deposits and demand certificates (a) Chequable <sup>2</sup>	]	131	138	143	139	143	148	150	155	152	158	161	163
13. Bank loans:  (a) Bank loans and overdrafts		205	84	102	113	121	133	145	155	166	179	187	191	203
(a) Bank loans and overdrafts       14       18       19       21       22       27       42       19       25       27       44       61	12. Term deposits, guaranteed investment certificates, instalment certificates and debentures	765	790	814	826	848	867	906	951	981	1,017	1,037	1,050	1,085
(a) Bank loans and overdrafts       14       18       19       21       22       27       42       19       25       27       44       61	13. Bank loans:													
(b) Other bank loans  14. Short-term loans and notes payable  15. Bonds, mortgages and other funded debt  16. Bonds, mortgages and other funded debt  17. Other liabilities  18. The state of the		14	18	19	21	22	27	42	19	25	27	44		59
14. Short-term loans and notes payable 23 23 28 36 36 38 52 108 108 119 137 150 11 16. Bonds, mortgages and other funded debt 101 119 122 133 147 164 164 194 201 220 233 248 21 17. Other liabilities 13 15 13 15 16 19 22 38 46 205 205 201 22 17. Other liabilities 157 65 65 72 80 95 101 101 107 118 121 122 12 133. Net accruals, payables and retained earnings 1 44 53 50 53 47 58 52 61 54 64 63 74 138. Net accruals, payables and retained earnings 1 18 18 18 18 18 18 18 18 18 18 18 18 1	tr.												3	3
16. Bonds, mortgages and other funded debt		23	23	28	36	36	38	52	108	108	119	137	150	123
13 15 13 15 16 19 22 38 46 2053 2053 2013 2013 2013 2013 2013 2013 2013 201		101	119	122	133	147	164	164	194	201	220	233	248	280
Shareholders' equity  21. General, investment and special reserves									38	46	2053	205	201	206
21. General, investment and special reserves	17. Other liabilities	13	15	13	15	10	15	22	- 00					
21. General, investment and special reserves	Shareholders' equity													
22. Paid-in capital	21 Capacal investment and special reserves	78	79	84	85	87	88	90	92	93	95	101	106	109
22. Paid-in capital		57	65	65	72	80	95	101	101	107	118	121	122	124
23. Net accruals, payables and retained earnings 2 25. 2					53	47	58	52	61	54	64	63	74	62
Total liabilities and shareholders' equity <sup>1</sup> 1,300 1,376 1,436 1,497 1,542 1,553 1,460 1,555 4,						1				1.936	2, 196	2, 287	2,368	2,417
interest and other receivables. These receivables are netted against the combined liability items, interest	Total liabilities and shareholders' equity <sup>1</sup>	1	1			1	1	1	L					

<sup>&</sup>lt;sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interdividends and other payables, and retained income.

<sup>2</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.

<sup>3</sup> These items are affected by changes in inter-company accounts of affiliated companies.

## TABLE 3. Sales Finance and Consumer Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962     1963     1964       4Q     1Q     2Q     3Q     4Q     1Q     2Q     3Q										196	5	
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q4,5	3Q⁴	4Q4
	,					mil	lions of	dollars					
Assets													
1. Cash on hand and on deposit: (a) In Canadian dollars: (i) Cash and bank deposits (ii) Cash in other institutions	28	19 1 8	27	26	27 4 8	37 2 8	36 1 13	40 4 14	46 2 14	41 11 14	41 1 14	33 1 24	44 1 12
(b) In foreign currency	- 1				2,751	2,899	3, 128	3,080	3, 200	3,369	3,600	3,528	3,746
3. Other current assets	4	4	4	4	5	6	7	8	10	7	7	7	12
4. Investments and advances:  (a) Investments in Canadian securities:  (i) Short-term notes of finance and other com-					7	6	5	7	1	10	11	12	A
panies(ii) Government of Canada treasury bills	16 17	10 20	16 14	7	5	6	11	13	3	11	17	12	1
(iii) Other Government of Canada debt	42	34	29	6	18	13	27 58	29 38	60	16 59	9 58	17 23	16 16
(iv) Other Canadian bonds and debentures(v) Other Canadian investments	9	26 10	25	69 16	43 15	53 17	18	10	5	15	20	27	29
(b) Investments in Canadian preferred and common				1.0	10	12	27	23	14	14	16	16	15
shares (c) Investments in foreign securities(d) Investments in subsidiary and associated com-	10	211	11 1 229	12 1 221	13 4 252	260	210	256	1 264	270	241	267	274
panies	16	17	18	18	18	22	31	31	32	33	34	36	38
5. Property, plant and equipment	18	17	17	17	20	21	25	25	27	32	33	34	29
6, Other assets		2,849			3, 191		3,598	3,579	3,686		4, 1024,5		
Total assets	4, 140	2,849	3,000	4,900	3, 191	3,300	3,330	3, 313	3,000	3,501	1, 100	4,001	1, 401
Liabilities 11. Owing parent and associated companies	464	463	480	460	486	487	443	447	446	490	620	601	686
12. Short-term bank loans:			1										
(a) Bank loans and overdrafts (Canadian dollars) (b) Other bank loans	212 35	192 19	194 27	190 24	259 40	224 44	238 42	198 52	229 71	210 95	290 25	350 65	439 86
13. Short-term loans and notes payable: (a) Demand and short-term notes (Canadian dollars) (b) Demand and short-term notes (foreign currency) (c) Other short-term loans	580 54 2	706 48 2	725 64 2	706 70 2	755 62 2	892 108 2	1,046 135 3	907 200 1	865 213 1	9 <b>84</b> 177 1	994 176 2	842 184 2	764 149 13
14. Accounts payable:  (a) Income and other taxes payable  (b) Other payables	17 30	20 32	20 44	24 34	22 3 <b>8</b>	24 48	23 54	26 65	22 65	25 73	16 87	20 65	18 100
15. Other current liabilities:	1					1						=0	10
(a) Dealers' credit balances (b) Other current liabilities	43	43	45	47	45	43	46	48	46	44	47	50	48
<ul> <li>16. Long-term debt:         <ul> <li>(a) Debentures, bonds and notes (Canadian dollars)<sup>1</sup></li> <li>(b) Debentures, bonds and notes (foreign currency)<sup>1</sup></li> <li>(c) Mortgages and other long-term debt</li> </ul> </li> </ul>	) 550	566 210 3	584 240 3	609 225 4	622 243 4	633 242 2	644 258 6	689 260 6	743 281 6	773 302 6	836 267 9	842 253 9	866 302 8
17. Other liabilities:						1							
(a) Unearned income and other deferred credits	159	159 1 1	174	179	183 1 1	183	204	213	217	218	228	239	245
Shareholders' equity					Į.								
21. Paid-in capital	223	234	246	248	261	255	273	276	288	300	306	311	329
22, Retained earnings	140	147	151	159	163	171	175	183	186	195	188	195	175
Total liabilities and shareholders' equity	2,726	2,849	3,005	2,986	3, 191	3,365	3, 598	3,579	3,686	3,901	4, 1024,5	4,037	4,237
• Footnote:													
(a) Specified receivables: <sup>2</sup> Sales finance companies: Consumer goods	801	799	865	878	874	903	996	1,038	1,035	1 023	1,099	1, 136	1, 140
Commercial and industrial goods Wholesale goods	440	448	490 279	514 174	5 20 30 1	514 418	557 413	582	586 268	583 383	634 423	655 278	649
Totals			1,634		1,695	1, 835	1,966	1,871	1,889		2, 156	2,069	2,230
Consumer loan companies: Instalment credit	52	51	53	55	55	47	49	52	54	57	63	65	67
Cash loans		675 726	709	729 784	755	751 798	788	814	850 904	868 925	912 975	929 <b>994</b>	962
					810		837	866					1
(b) Other receivables <sup>3</sup>		218	241	261	288	311	373	392	457	508	527	526	553
Total receivables				2,611	2,793		3,176	1	3,250		3,658	3,589	3,812
Allowance for bad debts	- 38	- 39			- 42	- 45	- 48	- 49	- 50	- 53		- 61	- 66
Total receivables (net)	2,365	2,457	2, 595	2,567	2,751	2,899	3, 128	3,080	3, 200	3,369	3,600	3,528	3,746

Breakdown between Canadian and foreign debt was not available prior to 1963.

Detail of "Specified Receivables" is taken from DBS publication, Credit Statistics (Catalogue No. 61-004).

"Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors. Includes outstanding liabilities in default of one company which went into receivership.

Reflects the reorganization of a company with its U.S. parent.

TABLE 4. Mutual Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		1963			19	64			19	85	
	2Q	3 Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets					millio	ns of do	llars				
1. Cash on hand and on deposit:  (a) Canadian dollars:  (i) Cash and bank deposits	10	11 3	9	10	16	17	18	24	22 5	24	30 9
(b) Foreign currency	1	3	2	2	2	2	2	1	2	4	5
2. Short-term notes and bills:  (a) Government of Canada treasury bills  (b) Canadian short-term notes of finance and other companies  (c) Foreign short-term notes	4 4 1	4 7	5	4 3	4 10 1	39 3	2 41 1	3 48 3	3 33 1	38 2	32 1
3. Interest and dividends due and accrued	5	5	6	6	7	6	7	7	8	9	9
4. Amount due from brokers and other current assets	3	6	5	8	5	10	7	14	12	9	14
5. Portfolio at cost (see also Table 4 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt	60 29 36 5 3	58 28 38 6 3	58 31 40 6 11	61 31 46 7 19	68 29 43 9 27	72 34 44 10 5	78 47 48 12 9	77 57 59 13 14	64 54 63 12 10	69 49 62 12 19	71 51 63 12 25
(i) Preferred shares (ii) Common shares	53 500	60 507	64 518	67 535	71 558	71 587	74 635	81 687	91 744	107 754	110 783
(c) Investments in foreign securities: (i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares	2 144	2 152	10 151	10 153	6 166	177	5 186	5 208	4 245	4 275	4 314
Total portfolio at cost	832	854	889	929	977	1,004	1,094	1,201	1,287	1,351	1,433
6. Property, buildings and equipment											
7. Other assets									4 000		4 #00
8. Total assets at cost	863	894	920	966	1,024	1,085	1,178	1,303	1,373	1,446	1,532
Liabilities											
11. Short-term loans: (a) Bank loans in Canadian currency (b) Other loanspayable	1	3	2	1	2	1 1	1	1	1	1	
12. Accounts payable: (a) Income and other taxes payable(b) Amount due brokers and other payables	1 5	1 11	1 6	1 6	1 9	. 1	1 10	1 27	1 20	1 12	1 9
13. Long-term debt	1	1	1	1	1	1	1	1	1	1	1
14. Other liabilities	1			1		1			1	1	
Shareholders' equity											
20. Paid-in capital	795	820	845	880	926	980	1,072	1,172	1,230	1,306	1,386
21. Reserves: (a) Investment reserves (b) Other reserves	5	5	6	7	6	7	7	8	9	11 1	11 1
22. Retained earnings	54	53	60	69	78	83	85	92	110	112	123
Total liabilities and shareholders' equity	863	894	920	966	1,024	1,085	1,178	1,303	1,373	1,446	1,532
	-										

TABLE 4 A. Investment Portfolio at Market Value

	1963				19	64			1965			
	2Q	3 Q	4 Q	1 Q	2Q	3 Q	4 Q	1Q	2 Q	3 Q	4 Q	
					millio	ns of do	llars					
1. Portfolio:  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian shares:  (i) Preferred shares  (ii) Common shares  (c) Investments in foreign securities:  (i) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares  Total portfolio at market	61 29 37 5 3 55 637 2 169 998	58 28 40 6 4 62 650 2 178 1,028	58 30 42 7 11 67 676 10 183 1,084	60 31 48 7 20 70 721 10 194 1,161	68 29 46 9 28 75 786 6 210 1.257	72 34 44 10 5 75 853 4 226 1,323	78 47 49 12 9 78 909 5 236 1,423	78 57 59 13 14 84 997 5 265 1,572	64 54 63 12 10 92 995 4 287	69 49 62 13 19 106 1,026 3 347 1,694	70 49 62 13 25 108 1,060 3 415 1,805	
2. Total portfolio at cost (Item 5 - Table 4) 3. Unrealized appreciation (Item 1 minus 2)	832 166	854 174	889 195	929 232	977 280	1,004 319	1,094 329	371	1,287 294	1,351 343	1,433	
TOTAL ASSETS AT MARKET PRICES(Item 8-Table 4 plus item 3-Table 4 A)	1,029	1,068	1,115	1, 198	1,304	1,404	1,507	1,674	1,667	1,789	1,904	

## TABLE 5. Closed-end Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

		1963			19	64		1965			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	-				millior	s of do	ollars				
Assets										1	
1. Cash on hand and on deposit:  (a) Canadian dollars:  (i) Cash and bank deposits  (ii) Cash in other institutions	1	2 1	1 1	2	1	1 3	2 2	2 3	2 2	2 2	5 3
2. Short-term notes and bills: (a) Government of Canada treasury bills (b) Canadian short-term notes of finance and other companies (c) Foreign short-term notes	1 8	3	3	1	2	6	. 6	21	2 9	1 30	1 12
3. Interest and dividends due and accrued		1	1	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2	1	1	1
5. Portfolio at cost (see also Table 5 A):  (a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments	7 1 1 15	7 1 16	5 1 13	4 14	3 11	4 1 8	5 1 10	6 1 9	7 1 10 1 3	6 1 10	6 1 9 1
(b) Investments in Canadian shares:  (i) Preferred shares  (ii) Common shares¹  (c) Investments in foreign securities;  (i) Bonds, debentures, mortgages, etc.  (ii) Preferred and common shares¹	37 280 21	44 308 1 21	29 324 23	34 334 25	34 336 26	33 349 26	35 369 26	35 385 28	33 368 1 31	34 372 1 36	36 400 1 37
Total portfolio at cost	361	398	395	411	410	421	446	464	455	461	491
6. Property, buildings and equipment		1									
7. Other assets	1	2	2	2	1	1	2	2	2	4	2
8. Total assets at cost	375	409	406	421	418	437	463	497	474	503	516
Liabilities											
11. Short-term loans: (a) Bank loans in Canadian currency (b) Other loans payable	1 1	30	19	25 1	2 15	2 24	5 25	1 44	6 4	6 3	14 2
12. Accounts payable: (a) Income and other taxes payable (b) Amount due brokers and other payables	3	2	2	3	2	3	2	3	3	4	3
13. Long-term debt		32	32	32	32	32	33	31	31	30	30
14. Other liabilities		1	1	1	1	1	1	1	1	1	1
Shareholders' equity											
20. Paid-in capital	195	199	201	201	202	20.5	216	223	230	257	258
21. Reserves: (a) Investment reserves (b) Other reserves	1	97	102	109	114	117	123	135	136	136	143
22. Retained earnings		47	48	49	51	54	58	59	63	64	65
Total liabilities and shareholders' equity	375	409	406	421	418	437	463	497	474	503	516

TABLE 5A. Investment Portfolio at Market Value

	1963				19	64		1965			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
. Portfolio:			L		millio	ns of d	ollars	l			
(a) Investments in Canadian bonds:  (i) Government of Canada debt  (ii) Provincial and municipal debt  (iii) Corporate bonds and debentures  (iv) Mortgages and agreements of sale  (v) Other Canadian investments  (b) Investments in Canadian shares:  (i) Preferred shares  (ii) Common shares¹  (c) Investments in foreign securities:	7 1 18 46 455	7 1 20 56 487	5 1 17 37 515	4 18 43 551	3 14 45 619	4 1 8 47 652	5 1 10 49 686	6 1 10 51 730	7 1 10 3 48 682	6 1 10 1 45 678	6 1 9 1 46 693
(i) Bonds, debentures, mortgages, etc. (ii) Preferred and common shares <sup>1</sup> Total portfolio at market	28 <b>555</b>	1 28 <b>600</b>	30 <b>605</b>	33 649	33 714	34 746	33 784	36 <b>834</b>	36 788	1 47 789	51
. Total portfolio at cost (Item 5-Table 5) . Unrealized appreciation (Item 1 minus 2)	361 194	398 202	395 210	411 238	410	421	446	464	455	461	491
TOTAL ASSETS AT MARKET PRICES (Item 8-Table 5 plus item 3-Table 5 A)	569	611	616	659	722	762	801	867	807	831	83

<sup>1</sup> Includes investments in and advances to subsidiary and affiliated companies.

## TABLE 6. Investment Dealers Quarterly Estimates of Selected Balance Sheet Items

	1962		19	63		196	4		1965				
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	10		1	10
	46	162	262	362	46				46	1Q	2Q	3Q	4Q
	millions of dollars											1	
Selected assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	19	15	15	17	12	10	16	21	23	28	49	68	109
(ii) Cash in other institutions	) .					_							
(b) In foreign currency	} 6	12	9	10	8	7	7	2	55	35	2	14	3
2. Securities owned or managed at book value:1													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance companies, commercial paper and bankers' acceptances	22	32	45	46	66	84	105	150	162	146	136	132	214
(ii) Government of Canada treasury bills	159	94	165	163	187	105	115	116	126	78	117	75	39
(iii) Other Government of Canada debt:													
(a) Term less than 3 years	202	175	93	102	149	99	120	160	60	84	78	82	30
(b) Term over 3 years	54	28	45	23	12	15	33	24	40	63	5	67	-6
(iv) Provincial government debt	68	38	42	32	46	37	44	56	49	69	41	49	27
(v) Municipal government debt	15	18	28	16	24	37	27	33	22	28	21	20	27
(vi) Corporation and institution bonds	47	34	48	46	52	42	38	38	49	50	53	45	53
(vii) Preferred and common shares <sup>2</sup>	19	20	15	15	13	24	20	17	25	27	28	17	24
(viii) Other investments <sup>2</sup>		2	6	3					3	5	6	10	11
(b) Investments in foreign securities	1	1	1		1	3	1	1	2	2	2	2	2
(c) Short-term loans from subsidiary and associated companies	2	8	7	10	3	7	4	3	3	4	1	1	2
Total selected assets	615	476	518	484	573	470	531	621	619	619	540	582	534
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts in Canadian currency	383	215	230	209	373	221	267	318	335	295	326	402	374
(b) Short-term loans from subsidiary and associated companies	9	5	6	7	11	8	7	9	10	7	6	12	13
(c) Other loans and notes, excluding buy-backs	185	235	266	201	184	196	229	240	243	300	207	183	152
Total selected liabilities	577	456	501	417	567	426	503	567	588	602	539	597	538
4. Total securities outstanding under buy-back agreements	50	91	131	110	112	114	188	107	201	189	236	178	97

Net of short positions and excluding securities outstanding under buy-back agreements.
 Excluding investments in and loans and advances to subsidiary and associated companies.

### CONTENT OF GROUPS

## Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

## Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

## Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are whollyowned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication, Credit Statistics. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in Credit Statistics and in this publication.

#### **Mutual Funds**

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, special non-resident owned funds, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

#### Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closedend companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives - investment or control - and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

### **Investment Dealers**

This group includes firms which act as principals in the underwriting and trading of securities. Stockbrokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

## **DEFINITION OF ITEMS**

Noted below are items where special problems of interpretation may exist.

## A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

## Item 11-Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

## Item 12—Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

## Item 21 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

## Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

## B. Sales Finance and Consumer Loan Companies

### Item 2-Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, Credit Statistics contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in Credit Statistics. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

## Item 11 - Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

## Item 13-Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

## Item 15 - Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily witholds part of the purchase price. This item represents the total amount so withheld.

## Item 17 - Unearned and deferred income and charges

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

## C. Mutual Funds and Closed-end Funds

#### Item 5 - Investment Portfolio

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

## Item 21 - Paid-in capital

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

## Item 24 - Unrealized appreciation

This item is the difference between the value of the portfolio at market price and its cost price.

#### D. Investment Dealers

## Item 1 - Cash on hand and on deposit

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

## Item 2 — Securities owned or managed by the firm

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

- (1) Securities should be reported at book value.
- (2) Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed. By using:
  - (a) Trade date securities are entered on the accounts on the date that a buy or sell agreement or committment was made.
  - (b) Value date securities are entered on the accounts on the date that settlement of the transactions was due.
  - (c) Delivery date securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

## Item 3 — Short term loans and notes payable

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

## Item 4 — Securities outstanding under buy-back agreements

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

## QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

## OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual) Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual) Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue Taxation Statistics (annual)

Bank of Canada Statistical Summary (monthly)
Dominion Bureau of Statistics Credit Statistics
(monthly)

Financial Post Survey of Industrials (annual) Financial Post Survey of Investment Funds (annual)











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